

Why Well-Drafted Trusts are Necessary but Not Sufficient to Avoid Family Conflicts in the Future

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“Navigating the impact of wealth responsibly across generations.”

Introduction

Fight over the Family Foundation

Common Problem Area #1: “Fairness”

- *Being “fair” is important to most parents
- *Fairness is in the eye of the beholder
- *Fairness changes over time

Common Problem Area #2:

Family Relationships

- *Husband and Wife
(& second marriages)
- *Parents / Adult Children
- *Siblings
- *Daughters-in-law, Sons-in-law
- *Cousins

Common Problem Area #3: Foundations

- *Parents / Children
- *Daughters-in-law, Sons-in-law
- *Grandchildren
- *3 Generation extended family

Common Problem Area #4: Dysfunctional Family Members

- *Drug & alcohol problems
- *Financially unwise individuals
- *Difficult people

What Can Be Done To Deal With the Challenges

1. Listen & Clarify (don't problem-solve)
2. Educate the family members
3. Facilitate appropriate communication
4. Negotiate: "What can you live with?"
5. Support over time

Conclusion

Facilitating family communication will lessen the amount of *major* conflict you will have to deal with over time, but for a variety of reasons you probably aren't the best person to do the facilitation.

Why an attorney or family advisor shouldn't try to facilitate family meetings:

1. Ethical issues:
 - *Who is your client?
 - *Confidentiality/privilege issues
2. Murky waters –
 - *Perceived loyalty issues
 - *“Tar baby” issues
3. “No win” situations
 - *Someone that can speak the truth
 - *Somebody to blame

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