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The Crucial Role of Irrevocable Trusts when Gifting Family Business Interests

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By Herbert R. Fineburg, Danielle Friedman and Charles "Max" A. McCauley, III

In Episode 4, through a compelling case study, hosts Danielle Friedman, Herb Fineburg, and Charles "Max" McCauley III explore the vital role of irrevocable trusts when gifting closely held family business interests for the benefit of children.

A client gifted a mere 1.5% stake in his company to each of his three children without using irrevocable trusts, aiming to save on costs. When one child faced divorce unexpectedly, the divorce proceedings centered around this small 1.5% stake in the family business owned by the child. Further complications arose when that same child, who remarried, unexpectedly died, leaving his business interests to his surviving spouse. This led to family conflicts for the children, which destroyed the relationships among the client's grandchildren.

The hosts discuss the missed opportunities for protecting the family business from the divorce and death of a child who owns an interest in the business. This Episode emphasizes how irrevocable trusts can shield assets from divorce and permanent family conflicts. Learn crucial lessons on proactive trust planning to protect both assets and family bonds. Join us for this insightful discussion on safeguarding your legacy.

If you are interested in learning more or have any questions, please feel free to contact Danielle at danielle.friedman@offitkurman.com, Herb at hfineburg@offitkurman.com, and Max at cmccauley@offitkurman.com.