



# No One-Hour Photo, Robin Williams' Estate Plan Took Time to Develop

*Gooooood morning, Tennessee!* Renowned actor and comedian Robin Williams, for whom living was an awfully big adventure and who will be remembered longer than many dead poets, passed away in 2014. His talent made him wealthy, so in 2012 he rushed to august professional

*Some features of Robin Williams's revocable trust are Oscar-worthy.*

advisors, including a wizard of an estate planning lawyer who composed a sophisticated revocable trust to dispose of a portion of Williams' estate.<sup>1</sup>

What interesting features do we see in Williams' trust? How well did he play the "game for those who wish to find / a way to leave their *wealth* behind?"

**Williams was no liar regarding his prenuptial promises.** Hunting good will from his wife, Susan Schneider Williams (and her lawyers), Williams acknowledged in the trust his obligations under the prenuptial agreement that he and Mrs. Williams executed, and included a statement that those obligations are to be met by the trust. It is a good estate planning practice both to reference any prenuptial obligations and to make sure those obligations are satisfied through the estate plan.

**Mrs. Williams will be able to afford an occasional night at the museum.**

Williams' trust left a residence in further trust for Mrs. Williams. Giving someone lifetime use of real property (through a life estate or beneficial trust interest) with no cash for related expenses is bad form that might make the real property impossible to use or enjoy. Williams' trust addressed this by adding to the wife's trust a fund for upkeep, insurance, taxes and mortgage payments.

**Williams was the captain, my**

**captain, of his publicity rights.** Unlike Michael Jackson's estate plan,<sup>2</sup> Williams' trust left the IRS stuck in Neverland because they can't get their estate tax hooks into Williams' valuable brand. The trust gives the rights to Williams' "name, voice, signature, photograph, likeness and right of privacy/publicity" to a tax-exempt charity. Regardless of the value of such rights, they can cause no federal estate tax because the bequest is eligible for a 100-percent estate tax charitable deduction. If the King of Pop could see how Williams handled this, he might have Peter Pan envy.

The trust provided further that the rights of publicity could not be exploited (used) for 25 years after Williams' death. Don't expect to see digital Robin Williams in Disney commercials, movies or on stage at the Academy Awards. Apparently, Williams did not want any awakenings of his likeness anytime soon.

**Each child got a square deal.** When Williams' trust divided the assets available for his children at his death, it did not divide the assets equally among them. It divided the inheritance at death such that, when all gifts from Williams to his children during life and at death were aggregated, the children were to receive equal amounts of total gifts. The disposition takes into account outright lifetime gifts and amounts allocated to the children from other trusts Williams


created. There are many tax and non-tax reasons why parents make unequal gifts to children during life. If a parent wishes to “even up” everything in the end, a testamentary provision such as the one in Williams’ trust is just the patch the doctor ordered.

**Carpe diem, kids.** Williams’ trust provided a default disposition of each child’s trust at the child’s death. However, the trust also gave each child the power to redirect how the child’s trust assets pass to the child’s children. Such a power provides the child flexibility to modify the plan in light of the grandchildren’s needs and life circumstances.

**The lawyer may lead two lives simultaneously.** Apparently, Williams never had a friend like his estate planning attorney, because he named the lawyer as a successor trustee of the trust and anticipated that the lawyer also would serve as legal counsel to the executor of Williams’ estate and to the trustees of the trust. Extinguishing any fires of doubt about the attorney being paid to act as lawyer for the fiduciaries and changing character to be paid as a fiduciary, Williams’ trust explicitly approved such dual compensation.<sup>3</sup>

**Who let the genie out of the bottle?** Why are we able to read this trust and learn what Williams provided for his beneficiaries? Keeping estate planning details private is one reason for including the details in a revocable trust rather than a publicly available probated will. Many clients execute a will that “pours over” assets to an unfunded revocable trust, leaving busybodies frustrated by a will that simply leaves everything to the trustees. In this case, litigation over administration of the trust led to it being filed as an exhibit to a pleading available for public view. *Shazbat!*

**Conclusion.** For our clients with

wealth, celebrity, multiple marriages, children or a desire to continue to employ their estate planning lawyer beyond the grave, some features of Robin Williams’ revocable trust are Oscar-worthy. Until next time, *Nanu, Nanu.*<sup>4</sup> 

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### Notes

1. The full trust agreement is available here: <http://www.hollywoodreporter.com/thr-esq/robin-williams-restricted-exploitation-his-785292>. We do not know what portion of

Williams’ estate passed outside the revocable trust by beneficiary designation, rights of survivorship or other estate planning documents (including two other trusts referenced in the revocable trust).

2. <http://www.forbes.com/sites/janetnovack/2014/10/03/irs-we-made-a-mistake-valuing-michael-jacksons-estate/>; <http://www.accountingweb.com/tax/irs/update-a-new-way-to-tax-the-michael-jackson-estate>.

3. The trust goes to great lengths to explain how strongly Williams wanted his lawyer, Arnold Kasso, to be able to serve in multiple roles and to be paid separately for each. Good drafting, Mr. Kasso. (Don’t mess with him, man; he’s a lawyer.)

4. If you found some of the language in this column strange, it might help to watch more of Robin Williams’ movies and TV shows.

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