

Preserve wealth for generations

How we helped a wealthy family navigate a concentrated asset transaction and address their needs for asset protection and family governance.

Paradigm Group

Private Wealth Management



A comprehensive approach

– We understand that wealthy families have complex needs and we deliver thoughtful solutions beyond just investments. Your family is unique and deserves to be treated accordingly.

– We pride ourselves on our highly personal approach and our ability to tap into the resources of one of the world's leading wealth management firms to create solutions for our clients and their families. We help form strategic plans that create lasting legacies for our clients' families and the causes that matter most to them.

Challenge

– Our prospect recently inherited a large single, publicly-traded stock holding. He and his wife had four children and a family trust. They wanted to explore their options for creating liquidity and asset protection, while also pursuing philanthropy as a family.

– In our discovery step, we met with the prospect and his spouse to determine their liquidity needs and understand their family structure. We also gathered their trust documents and listed all assets and trusts previously set up for their family.

– Through this process, we learned that they wanted substantial liquidity from the inherited stock, which was thinly traded. In addition, there were a number of trusts already in place for various family members, but each had a different structure.

Strategy

– We consulted with the UBS Investment Bank and UBS equity trading desk to establish the family's options for liquidating the inherited stock. We determined that a block trade would be expensive and disruptive to the stock. Alternatively, the equity trading desk could liquidate it over time, with less cost and disruption.

– We forwarded all of the family's trust documents to the UBS Advanced Planning Group (APG) for review and recommendations. These specialists reviewed all trust documents within a month and offered several suggestions for simplifying and consolidating the trusts, to be more easily administered.

– We investigated the most efficient and tax-effective platforms that the family could utilize to realize their goal of family-based philanthropy.

Outcome

– Per our recommendation, the now client sold 70% of his thinly-traded stock through the UBS equity trading desk. The desk did so over a six-month period, at a fraction of the cost of a block trade and at a higher price for subsequent sales.

– The APG's suggestions took advantage of their current trust construction, while protecting their estate as much as possible from taxes and litigation. The trusts also safeguarded longevity for generations to come.

– In collaboration with the family's tax advisor, we created a family philanthropic foundation and made a tax-efficient donation of the low-cost basis stock. The foundation is now governed by the entire family (as a team), making charitable donations in the family's name to their entities of choice.

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