Philadelphia Estate Planning Council

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President's Message

Kathleen S. Kinne

When asked, most people cite two reasons for joining the Philadelphia Estate Planning Council. The first reason is education. We offer top-notch speakers, a wide array of programming, and those much-needed continuing education credits.

The second reason is networking. If the second reason is truly networking then I am a little perplexed at some of the contradictory comments I have heard this past year. I have been told that young attorneys are too busy to network and that accountants are not encouraged to network. I am not sure if these statements are true but it made me think about my own involvement with the PEPC.

I joined the PEPC in 1998 and I knew only a handful of people who I walked over with to the Union League. I entered Lincoln Hall to a very distinguished-looking crowd. I guarantee you that I did not anticipate spending this past year as the PEPC President. When I look back at the past sixteen years, this is what I have learned from the PEPC.

First and foremost, there are a lot of really nice people involved with the PEPC. I enjoy working in the area of Philanthropy. Why? I have found that people who like to give money away are people with whom I like to work . They tend to be kind, caring, and thoughtful individuals. I have found the same to be true with the PEPC. Professionals who join a multi-disciplinary organization tend to be collegial. They are fun, friendly, and, most of all, helpful.

I have also found that individuals in the PEPC enjoy learning from each other. Our newsletter is fantastic. I am amazed at the quality of the publication that we produce three times each year. The roundtables are yet another example of where our members ask questions and share insights with each other.

Many times, my best mentors are not the formal mentors

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Digital Death: Purgatory for the Unplanned Decedent

Holly Isdale

At its essence, the process of estate administration can be distilled into three simple steps: (1) **inventory** the assets of the estate, which requires the executor or fiduciary to identify the assets, ensure control the assets, then preserve or curate these assets during the period of the administration, (2) **value** the assets as of the date of death or the alternate valuation date, and (3) **transfer** the assets in accordance with the estate plan or appropriate laws.

At the risk of waxing nostalgic, this process, even when complicated, used to be a lot easier. When someone died, the family and the executor could easily find the assets – they went through the file cabinet or desk drawer and pulled out the checkbooks, looked for the old utility bills and maybe opened the safe deposit box at the bank for some papers. Perhaps the executor had to sit by the mailbox to watch for forgotten accounts or to clip the coupons on a bond or two. Today, however, the only thing that comes in the mail seems to be catalogs or store circulars. As we buy, sell, consume and communicate online, our correspondence is often virtual, our receipts and records are stored in a number of places but generally not in physical form.

Consider this: If you had died last night, instead of being able to read this article, would your spouse, your partners, your clients, have been able to access the information needed

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2014 Annual PEPC Golf and Tennis Outing

Monday, May 19

Golf Registration:	10:30 a.m. – 12:00 p.m.
Lunch Buffet:	11:15 a.m. – 12:30 p.m.
Golf Tee Time:	12:30 p.m.
Tennis Round Robin:	2:30 – 4:30 p.m.
Roundtable Program:	4:00 – 5:30 p.m.
Reception: Cocktails & Hors D'oeuvres:	6:00 p.m.
Dinner:	7:00 p.m.

GOLF, LUNCH and DINNER
St. David's Golf Club
845 Radnor Street Road
Wayne, PA 19087-2716

TENNIS
Philadelphia Cricket Club
St. Martins Clubhouse
415 W. Willow Grove Ave
Philadelphia PA 19118

For information contact the PEPC Office at 856-234-0330 or staff@philaepc.org

President's Message continued

but the informal ones. From early on in the PEPC, I have had mentors. Accountants, attorneys, trust officers, and investment professionals who have included me in committee meetings, brought me under their wings, and encouraged me to get involved, stay involved, and rise through the ranks of the PEPC. These are not individuals within my organization but individuals at many organizations. They have always been available for questions, insights, and career advice.

You may like what you are doing today, but you never know what tomorrow will bring.

We are a pretty tight-knit group. Over the past sixteen years, the organizations have changed but many of the faces in Lincoln Hall are still the same. It has been an honor and a privilege being the PEPC President this past year. I encourage young professionals to take advantage of all that the PEPC has to offer. The education is great but the networking is, too!

On more than one occasion I have had an individual ask whether membership in the PEPC is worth it. My answer is quite simply: Absolutely.

Digital Death continued

to inventory, value and transfer the digital assets of your estate?

The average household has six or more Internet connected devices, upwards of fifteen or more in wealthier homes. College students alone average about seven devices. Over 91% of Americans use cell phones, many of whom (34%) use it as their primary access to the Internet, forsaking computers (archaic!) or even tablets (passé!). Want to track down a decedent's bank accounts? Better have clear authorization in the appropriate documentation AND their email (the average American has upwards of six distinct email accounts), the right passwords, and the verification information, especially since 61% of Americans now do their banking online, and at least 30% of those use cell phones exclusively for banking transactions. Oh, and by the way, it's considered a criminal offense under several federal laws to use someone else's login information -- to further complicate the process, a normal power of attorney is not considered sufficient authorization to grant online access.

What are Digital Assets and Why Do We Care?

The Uniform Probate Code defines "property" to include "both real and personal property or any interest therein and means anything that may be the subject of ownership" (Unif. Probate Code §1-201 (38) (as amended 2010).) With digital property, nature of the asset is constantly changing and evolving. Digital assets can include the obvious items such as hardware (computers, tablets, cell phones), memory devices (thumb drives, CDs, floppy disks, etc.), software programs and the content from these programs. However, digital property goes beyond tangible assets to include both the method of creation (those six email accounts for example), as well as the content of those accounts (the emails themselves) and can include the manner in which they are stored or the data attached to the digital asset that can prove when it was created or amended (the "metadata" tags). As the average Internet user, in addition to multiple email accounts, has photos stored online or digitally, music, videos, social media accounts, instant messaging, messages or communications within social media accounts -- the list can start to spiral out of control. Eric Schmidt of Google postulated in 2010 that if we took all of the data created – all information, all human knowledge, from the dawn of time to 2003, it would amount to about five Exabyte of data (each Exabyte is a billion gigabytes). We now create that same amount of content every two days – mostly in user generated content such as photos, messages, social media posts, chats and blogs.

While most of the content on our various digital devices may not have huge monetary value, it is important for the fiduciary to understand the extent of the content, and whether it has commercial or personal value, and then to preserve that accordingly. If you flip through your own devices, you would be surprised at the number of applications that either contain content or provide access to user generated content, browsing history, medical or personal information.

Gaining Access

Once you have identified the assets, you need to ensure access and control over them. Passwords change rapidly, the average American has at least ten distinct passwords with more technologically connected individuals having upwards of 35 unique passwords. Each of these can have verification cues that need to be approved (is this the right picture for your account?) or answered (what was your high school mascot?). For more secure sites, passwords must be changed frequently and may require authentication devices, which now can be an app on your cell phone that generates the PIN you have to input to gain access to the website or content. Even if you are able to access a site because the decedent thoughtfully left you an updated list of passwords, with all the verification and authentication, and what email

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Digital Death continued

gets the reset links if you try to reset the account, there are at least three federal laws prohibiting your use of these passwords or preventing the service provider from releasing information. The Stored Communications Act (18 USC Sec 2701 et seq.), part of the Electronic Communications Privacy Act of 1986, contains two provisions limiting access, the first makes it a criminal offense to access a facility on which an electronic communication is stored without having the proper authorization from the user and prohibits the voluntary disclosure of customer communication and records by a service provider. Separately, the Computer Fraud and Abuse Act (CFAA) prohibits the unauthorized access to computers and provides penalties for exceeding authorized access as well. In addition to the federal statutes, states have enacted similar provisions either limiting access or imposing penalties, all with an eye to preserving consumer privacy. Many states are now enacting legislation to permit access for fiduciaries but the level of access is uneven (access to emails only in one state, access to records but not communications in another) and since the federal laws remain intact, large providers (Facebook, Yahoo, etc.) have been successful preventing the release of data in lawsuits by executors and estates seeking information, because to release the information would be a breach of the CFAA or the Stored Communications Act.

The Uniform Laws Commission has established a committee on digital assets that is finalizing a proposed Uniform Fiduciary Access to Digital Assets (FADA) model act to be published later this year. FADA, if enacted at the state level, will remove many of the federal barriers to access and remove the criminal penalties for fiduciaries seeking access. However, the model act is designed to apply only where the fiduciary, conservator, agent or personal representative has affirmative, written authorization to access the data under the terms of the relevant documentation (power of attorney, will, revocable trust, etc.).

How to plan in uncertainty?

If FADA is enacted, it will still require the written authorization for the representative to access data. As such, and in the absence of clear laws, it is important to incorporate language in wills, revocable trusts and powers of attorney that address digital assets and authority to access these assets. The language should be broadly written, and recognize the changing nature of assets and the decedent's intent to capture assets that may not be contemplated at the time of signing. At the same time, it is important to clearly provide the representative with the power to delete or destroy data, and to vest in them the ability to do so without repercussion. Not every estate warrants an archivist to sort through email communications and pictures posted on Facebook. However, it is important to understand what might need to be preserved for posterity and what should be deleted. Some practitioners prefer to establish a separate digital executor or trustee, who can address these issues apart from the regular administrative actions of the trustee or executor.

There are a few practitioners advocating the use of "digital asset trusts" to hold title to digital assets, however the Terms of Service contracts often prevent the transfer of these assets as the licenses granted are single-user, non-transferable licenses (next time you log into Amazon or iTunes, take a moment to read the fine print!). Few service providers have incorporated provisions in their contracts dealing with death of the initial user, and the ability to access, and transfer assets can be further impeded when non-US companies are involved. Best practices would indicate that including specific digital language into wills, revocable trusts (which have greater flexibility in times of disability than powers of attorney when it comes to the terms of service agreements with various technology providers as well as most financial institutions) and to have clear authorization in powers of attorney as well. Some commentators recommend broad stand-alone authorizations for digital access but it seems more prudent to tie the access into a more conventional legal document where state laws as to the revocation of authorization (such as laws governing the revocation of a power of attorney) would govern.

Finally, all HIPAA documentation should include language clarifying the authority and access to medical and health information after death. The HIPAA statute clearly contemplates the post-mortem control of medical records; indeed, the 2013 changes to the statute reduced the privacy to 50 years post mortem, as opposed to the perpetual restrictions on this information in the original statute. Aside from some public policy exceptions, the person holding the HIPAA power, or the executor or personal representative, has ultimate authority to disclose or withhold medical information. For blended families, or same sex marriages where state-law conflicts may arise, it is important to clarify an intention to share medical information or health records. The surviving spouse may not need or care about the information to the same extent that a biological child would benefit from knowing when and how a parent's health declined or when certain treatments were tried. For some families, ensuring access to a decedent's medical history might be the most enduring legacy they provide, if it would allow for earlier detection and treatment of diseases in their descendants.

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Digital Death continued

What are your tweets worth?

Once the executor or trustee has identified and accessed the assets, the question of value comes to the forefront. Most of us would agree that the value of our hardware devices is de minimus compared to the information that is contained on them or accessed through these devices. A recent survey showed that people would value their digital assets at about $55,000 – which may seem low in terms of sentimental value of emails, photos, social media posts. While sorting through endless emails or pictures of cats downloaded off of the internet, is not a great use of time, it is clearly important to know where valuable assets are held – there are numerous stories of people finding cash in online accounts they forgot they had or recycling hard drives that contained important documentation, or Bitcoins, without checking the hard drive first. Clearly business assets, such as domain names, websites, newsletters, blogs or other content, have a value and this value can change over time if not maintained. For these assets, the alternative valuation date might be appropriate but the executor or trustee will need to be aware of his or her own liability to understand and implement actions necessary to preserve the value of the assets during the administration period. Finally, even simple things, like travel pictures, can be monetized and the executor or fiduciary will benefit from releases in the relevant documents, exonerating them from having to find possible values for all assets. (Note, however, that there are some companies forming to help monetize the value of online gaming assets, where picking up a special hat or sword in an online role playing game, can be worth several thousand dollars! Lest you think your teenage son is simply frittering his time away online – there is gold in those virtual worlds!). Strong release language in the documents, providing relief to the executor and permitting them to abandon digital assets, or affirmatively delete assets, should be incorporated into any standard digital language templates.

Finally, if transferable, the asset transfer must be done properly, which can require multiple steps depending on the asset. For many assets, the transfer is technically not permitted, but what liability accrues to the executor who transfers a Kindle, iPad or other device containing the decedent's electronic books and music?

What's the rush?

For some clients, turning to the digital assets a month or so after a death may be sufficient, especially if the decedent was not very technological. Unfortunately, this may not be a wise delay, even if the executor believes that the situation is not pressing. Some email service providers will disable accounts after a relatively brief (60 day) period of dormancy. More importantly, the decedent's digital life may have been very connected to his financial one. Online magazines and subscriptions can automatically renew without anyone noticing, especially if these, like many online accounts with eBay, Etsy, Amazon, etc., are connected to PayPal, which directly debits the bank accounts and, if the accounts run short, automatically rolls to credit cards (risking personal liability to the fiduciary or executor if they fail to control or protect the asset). Further, identity theft of the deceased is on the rise, particularly because the family and executors tend to take a few months to turn to the online accounts, giving thieves the opportunity to establish new credit cards, obtain identity papers and perhaps deplete bank or other accounts. As such, it is better to err on the side of caution and establish control over the assets as soon as possible.

Beginning the discussion with clients today about digital assets is a good first start. Once they understand the scope of the problem, most become very focused on ensuring that they have records and directives in place. As a first step, all clients should be encouraged to inventory their digital assets and create records of passwords, login verifications and note what email accounts are tied to these various assets (does your bank account reset to your Apple account or your Gmail account?). They should try to maintain these inventories on a regular basis. I prefer to do "pre-death" audits with all clients as a matter of practice – running through the asset values and specific accounts that will transfer to various beneficiaries upon death. In some instances, we have taken these through to include dry runs of trust issues ("in this fact pattern, should Jack get a distribution for a new business venture?"). Incorporating the digital discussion into these audits can prove quite eye opening when you begin to realize the potential value of domain names, client lists, email addresses or online gaming avatars. All practitioners should begin to incorporate digital language in their documents and increase the use of revocable trusts in case of disability to ensure access (if not for general ease of administration of the other more tangible assets).

Holly Isdale is the founder of Wealthaven, a consulting and family office practice based in Bryn Mawr. For more information, or copies of sample documents, contact Holly at holly.isdale@wealthaven.com or go to www.digitaldeath.com

The New Pa. Inheritance Tax Exemption for Qualified Family-Owned Business Interests

Charles Bender

On July 9, 2013 Gov. Tom Corbett signed House Bill 465 into law making numerous changes to the Pennsylvania tax law, including the inheritance tax. Section 34 of the act added a new Section 2111(t) to the Tax Reform Code of 1971 (TRC), providing that the transfer of qualified family-owned business interests to qualified transferees is not subject to Pennsylvania inheritance tax. Section 42(4) of the act provides that Section 2111(t) shall apply to estates of decedents who die on or after July 1, 2013.

The purpose of the new provision is to protect certain family-owned business interests from being subject to Pennsylvania inheritance taxes. While the Pennsylvania inheritance tax rates are modest relative to the federal estate tax rates, the Pennsylvania inheritance taxes can still be substantial, particularly if the beneficiary is not a spouse, child or lineal descendent of the decedent. The Pennsylvania inheritance tax rate is based on the relationship of the beneficiary to the decedent: 0 percent for spouses, 41/2 percent for parents, children and grandchildren, 12 percent for siblings and 15 percent for all other beneficiaries. Based on the $5 million ceiling in the statute, the tax savings could be anywhere from zero for spouses, to $225,000 for parents, children and grandchildren, to $600,000 for siblings, to $750,000 for other beneficiaries. The concern addressed by the statute is that small, family-owned businesses are often illiquid assets of an estate, and a tax of this size could force the family to sell the business in order to pay the tax. The Pennsylvania inheritance tax is due within nine months from the date of death.

The new statute will be of limited use since it only applies to a narrowly defined asset type. The revenue estimates for this provision indicate that the loss of tax revenue will only be about $3.8 million per year.[1] Compare this to the $803.57 million of revenue generated by the Pennsylvania inheritance tax in the fiscal year ended June 30, 2012,[2] and it is apparent that the provision is not expected to have a significant impact in many estates. However for estates where the provision does apply, the tax savings can be important. In addition, a careful review of the statutory language reveals that its application may be broader than anticipated, creating opportunities for significant tax savings through advance planning.

Statutory Requirements

A link to the text of the statute is contained in an endnote hereto.[3] The heart of the provision is the definitions of qualified family-owned business interest (QFOBI) and qualified transferee (QT).

QFOBI is defined as a sole proprietorship or an interest in an entity carrying on a trade or business that:

1. has fewer than 50 full-time employees,
2. has a net book value of less than $5 million,
3. has been in existence for five years prior to the decedent's death,
4. is wholly owned by the decedent or the decedent and members of the decedent's family that are QTs, and
5. is engaged in a trade or a business, the principal purpose of which is not the management of investments or income producing assets.

QT is defined as:

1. husband and wife,
2. lineal descendants,
3. siblings and the sibling's lineal descendants, and
4. ancestors and the ancestor's siblings.

In addition to these definitions, the statute has several requirements in order for the QFOBI to qualify for the inheritance tax exemption. These requirements include:

1. The interest must continue to be owned by a QT for seven years after the decedent's death.
2. The interest must be reported on a timely-filed Pennsylvania inheritance tax return.
3. A certification must be filed annually by each QT for the seven-year period. Failure to file the certification will result in loss of the exemption and the inheritance tax will be due upon the interest. In addition, the QT must notify the Department of Revenue of any transaction or occurrence causing the interest to fail to qualify for the exemption
4. If the QFOBI is no longer owned by a QT during the seven-year period, inheritance tax will be due upon the interest. The tax will be equal to the tax that would have been paid on the interest had it not been exempt at the time of the decedent's death, and interest on the unpaid tax will be assessed from the due date of the decedent's inheritance tax return at the rate applicable to underpayments.
5. Property transferred to the QFOBI within one year of the decedent's death is not eligible for the exemption unless it was transferred for a legitimate business purpose.

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QFOBI continued

6. Inheritance tax and interest that would be due on the QFOBI becomes a lien in favor of the commonwealth on the real and personal property of the QT at the time of the transaction or occurrence that disqualifies the QFOBI for the exemption. The tax and interest is collectible in the same manner as delinquent taxes, and the lien remains in effect until all tax and interest is paid in full.

Issues with Definition of QFOBI

All of these QFOBI requirements must be in existence as of the date of decedent's death. The full-time employee requirement and the five years of existence requirement are both relatively straight forward.

The more interesting requirement is that the net book value of the business must be less than $5 million. This provision relates to the value of the business as a whole, not the decedent's interest in the business. The exemption is not for $5 million of value from the decedent's estate; it is for the value of the decedent's interest in a business that has a book value of $5 million or less. For example, if the decedent owns 50 percent of a business that has a book value of $10 million, the decedent's interest is not exempt.

The statute defines qualified family-owned business based on net book value rather than fair market value. This distinction is very important, making the potential tax savings from this provision significant. Book value is an accounting concept based on the historical cost of assets owned by the business less accumulated depreciation on those assets and less liabilities. It has very little relationship to the fair market value of an ownership interest in the business. For example, suppose a business owns an apartment complex that was originally purchased for $5 million. At the time of purchase, $500,000 of the purchase price was allocated to the land and $4,500,000 was allocated to the building and improvements. Over the years, the building and improvements were fully depreciated so that they have a zero book value at the time of decedent's death. And suppose as of the date of decedent's death, the apartment complex has a fair market value of $10 million. The book value under this example would be $500,000, the amount allocated to the land, since all of the improvements have been fully depreciated. However, the fair market value of the property is $10 million. Absent this new exemption from inheritance tax, the full $10 million would be subject to the tax. The tax savings in this example would be $450,000 for parents, children and grandchildren, $1.2 million for siblings and $1.5 million for other beneficiaries. Many family-owned businesses will have balance sheets showing the book value of their assets significantly lower than the current fair market value of the business itself. This distinction between book value and fair market value makes the applicability of this provision as well as a potential tax savings much greater than it appears from the $5 million ceiling in the statute.

Another interesting aspect of the statute is that it does not limit the decedent to one QFOBI. It merely states that a transfer of a QFOBI is exempt from inheritance tax as long as it meets the statutory requirements. If a decedent owns an operating company and a real estate company that owns the real estate used by the operating company, both interests could qualify as QFOBIs. In the example above with the real estate having a book value of $500,000 and a fair market value of $10 million, suppose the tenant of that real estate company is the decedent's operating company. If the operating company has a book value of less than $5 million, both the interest in the real estate company and the interest in the operating company would be exempt under the statute. The operating company could be worth $100 million yet it would still be exempt for Pennsylvania inheritance tax purposes under this provision.

The definition of QFOBI also excludes businesses with a

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QFOBI continued

principal purpose of managing investments or income-producing assets owned by the business. While this provision could arguably apply to every business, it is aimed at entities that own marketable securities. It prevents the taxpayer from creating an entity funded with $5 million of cash and/or securities and then claiming that that entity is a business qualifying for the exemption. This restriction does not appear to apply to a real estate entity, as long as it is operated as a business.

Another restriction is that assets transferred within one year of death to a business do not qualify for the exemption unless the property was transferred for a legitimate business purpose. This appears to be aimed at preventing transfers in contemplation of death into an entity in order to qualify for this exemption. In the example above, with a real estate entity that owns a building with a $500,000 book value and a $10 million fair market value, this restriction would prevent someone from transferring $4.5 million of cash into the entity within a year of death and having the $4.5 million escape Pennsylvania inheritance tax. However, if the building needed substantial improvements and the cash was transferred to the entity to finance those improvements, then the transfer should qualify even if it is within one year of the decedent's death.

The statutory language regarding this restriction does not fit within the framework of the exemption. The assets of the business are not exempt from taxation; rather the interest in the business is exempt from taxation. To say that assets transferred to the business within one year of death do not qualify for the exemption does not make sense, because the underlying assets of the business never qualify for the exemption. The QFOBI is exempt if it qualifies, not the assets of the business. It appears that this provision is intended to work like the gifts within one year of death provision in Section 2107(c)(3) of the TRC. If this is the intent, the statute should say that transfers to a qualified family-owned business within one year of the decedent's death are subject to tax unless the transfer is for a legitimate business purpose.

Issues with Definition of QTs

In order to meet the definition of QFOBI, the entity must be wholly owned by the decedent or the decedent and members of the decedent's family that are QTs. This provision could disqualify certain businesses that one might otherwise expect to qualify. For example, if the decedent transferred a nominal number of shares to a valued employee, this would disqualify the business, assuming the employee is not a QT. The same result could happen if the decedent transfers shares during lifetime to a family member who is outside the definition of QT. For example a son-in-law or daughter-in-law is not included in the definition of QT.

The first category of QT is husband and wife. There is no need to include husband and wife in the definition of QT since there is a zero tax rate on transfers between spouses. This does raise a question for same sex couples and how they would be treated under the statute. Pennsylvania does not currently recognize same-sex marriage, and same-sex partners are 15 percent beneficiaries for inheritance tax purposes. If two same-sex partners own a business together, the surviving partner would not qualify as a QT under the statute.

The statute defines lineal descendants as QTs. However, spouses of lineal descendants are not QTs. Likewise, while siblings and sibling's lineal descendants are QTs, their spouses are not QTs. The statute does not appear to exempt a spouse's siblings either, so brothers-in-law and sisters-in-law are not QTs. Ancestors and ancestor's siblings are exempt, so parents would be exempt, but a spouse's parents are not exempt. Ancestor's siblings, aunts and uncles are exempt, but children of aunts and uncles are not exempt.

Trusts are also not included in the definition of QT. If a parent decides to put the business in trust for children, that would take the transfer outside the scope of the exemption. Suppose the decedent's will leaves the business outright to children, but there is a minority/disability clause in the will that provides that dispositions to minors or disabled beneficiaries are held in trust during their minority or disability. If there are any minor or disabled children at the time of the decedent's death, this clause would disqualify the interest for the exemption. A sole use trust for a spouse would allow the QFOBI to pass in trust for a surviving spouse, but not because it is a QFOBI. Rather, it would pass tax-free because of the 0 percent tax rate for transfers to a spouse. But when the spouse dies, the QFOBI would not be exempt even if the assets pass to a QT, since the interest was not owned by the spouse at the time of his or her death.

The statute provides that as of the date of decedent's death, the entity must be wholly owned by the decedent or by the decedent and members of the decedent's family who meet the definition of QT. So if the business is owned by a trust, it would not be treated as owned by the decedent under this provision. This would be true even if the trust is a grantor trust for federal income tax purposes and the decedent is treated as the owner of the trust assets for federal income tax purposes. The legal owner under Pennsylvania state law is still the trust.

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QFOBI continued

Issues Related to Recapture of the Tax

Once all of the statutory requirements are met and the QFOBI is exempt from Pennsylvania inheritance tax, there are several other requirements that must be met going forward to maintain the exemption. The first requirement is simply that the QFOBI must be reported on a timely filed inheritance tax return. The second requirement is that the interest must continue to be owned by a QT for seven years after the decedent's death. If the QFOBI is transferred to a non-QT within seven years of the decedent's death, it will trigger recapture of the tax plus interest. The tax and interest become a lien in favor of the commonwealth on the real and personal property of the owner of the QFOBI at the time of the transaction or occurrence that disqualified the QFOBI from the exemption. This could create some interesting issues to the extent that it is inconsistent with the terms of the decedent's will. For example, the will might provide that all death taxes, including the Pennsylvania inheritance tax, should be paid from the residue of the estate. The QFOBI might be distributed in a pre-residuary bequest so that the QT receiving the QFOBI is not liable for the tax under the will. However, under the statute, the tax and interest are treated as a lien on the assets of the QT.

The statute does not require that the QFOBI be owned by the same QT for the entire seven-year period. For example, if the business is left to two children and then one of the children transfers the QFOBI to the other child, this would not trigger recapture. However, if the child transfers the QFOBI to his or her spouse, this would trigger recapture since the child's spouse is not a QT with respect to the decedent. The recapture applies separately to each QT. A disqualifying transfer by one QT will not trigger recapture for QFOBIs owned by other QTs who do not transfer their interests.

Each QT must also file a certification for each of the seven years of the recapture period. The commonwealth is to issue a new form for this purpose. The certification requirement includes a provision that the QT must notify the Department of Revenue of any transaction or occurrence that causes the interest to fail to qualify for the exemption within 30 days of such transaction or occurrence. The most likely event would be the sale to a non-QT, such as a non-related third party. However, in some circumstances it may not be as clear that the recapture tax is due. For example, if the underlying business goes bankrupt, does the QT have to pay the inheritance tax on the asset based on its value as of the date of death? Similarly, if the family simply closes the business, does this trigger the recapture tax? Suppose the business consists of a rental property in the Poconos, and sometime after the decedent dies, the children decide to stop renting the property and use it as a vacation home.

The statutory language triggering recapture is:

> a qualified family-owned business interest that was exempted from inheritance tax under the subsection that is no longer owned by a qualified transferee at any time within seven years after this decedent's date of death shall be subject to inheritance tax due to the Commonwealth under §2107 in an amount equal to the inheritance tax that would have been paid or payable on the value of the qualified family-owned business interest using the valuation authorized under §2121 for nonexempt transfers of property.

The triggering event for recapture is that the QFOBI is no longer owned by a QT. The statute makes no reference to the activities of the business itself. So if a QT inherits a QFOBI that otherwise qualifies under the statute, then causes the business to sell its assets to a third party but continues to own the QFOBI for the balance of the seven-year period, this transaction should not trigger recapture under the statute. The assets need not even stay in the business to reach this result. Rather, the QT would just have to continue to own the QFOBI for the seven-year period even if the business activity is terminated.

Planning Opportunities

There are substantial planning opportunities created by this new exemption from Pennsylvania inheritance tax for QFOBIs. When clients have low basis business assets, the opportunity to take advantage of the difference between fair market value and book value on these assets is considerable. Tax planners often advise clients to retain these types of assets until death in order to obtain a step up in income tax basis for federal tax purposes. Now there is a Pennsylvania inheritance tax benefit to retaining low basis assets until death as well. Estate planners will need to understand the book value of the business when working with business owners. It may be possible to structure the business assets into more than one entity to increase the value that can pass under this exemption. As mentioned above, separating the operating company from the real estate company can significantly increase the value of this exemption. This structure makes sense for other business and tax reasons. Now there is a Pennsylvania inheritance tax benefit as well.

Suppose a client owns 10 rental real estate properties in his or her individual name. This is likely to be one business for

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QFOBI continued

purposes of the QFOBI provision. However, if the client were to own 10 limited liability companies and each LLC owns one property, there may now be 10 QFOBIs available for transfer free of inheritance tax. There are good business reasons for having separate entities for each of the properties, such as limitation of liability. Now there is a Pennsylvania inheritance tax benefit as well.

In estate planning for business owners, it is now important not to overlook any of the requirements for qualifying a business interest for the new exemption. For example, the business owner should not transfer the business interest to a revocable living trust if the business interest would otherwise qualify as a QFOBI. Similarly the beneficiary cannot be a trust either.

Minimizing the inheritance tax savings may not always be a primary planning objective. If the client is concerned about leaving a business interest outright to a child because of creditor or divorce problems, it would be better to pay the inheritance tax than risk losing the asset to a creditor or future ex-spouse. In addition, the seven-year holding requirement imposed on the QT could create a hardship on the future operation of the business. For example, it could limit the QT's ability to raise financing and grow the business. Of course, if such circumstances occur, the QT could simply decide to pay the inheritance tax in order to go forward with the transaction needed to grow the business.

Analysis of the statute shows that the opportunities for Pennsylvania inheritance tax savings are much greater than the $5 million ceiling in the law would indicate. Substantial value can pass to family members free of Pennsylvania inheritance tax. In fact there is no cap on the amount of value that can be excluded from the estate. With careful planning under the right circumstances, this provision can be a windfall to transferees of family-owned businesses in Pennsylvania. •

Charles Bender is a partner at Fox Rothschild LLP. He practices in the firm's Warrington office and is a member of its Taxation and Wealth Planning Department. He is a 1982 graduate of Georgetown University, School of Business Administration. He obtained his law degree from the University of Pennsylvania in 1985 and his LL.M. in taxation from Temple University in 1989. Bender is admitted to the bar in Pennsylvania, New Jersey and Florida.

1 Pennsylvania Governor Signs Tax Code Changes, BNA Daily Tax Report, July 15, 2013.

2 Commonwealth of Pennsylvania, Comprehensive Annual Financial Re¬port for the Fiscal Year Ended June 30, 2012, page 42.

3 http://goo.gl/H8Urg7

The New Paradigm of Investor Turnover

Thomas Raymond, CFA

In many facets of life we tend to operate under the assumption that increased exertion improves results, but that is not always the case. Our movie tickets don't come faster when we hop from line to line and we often don't arrive at our destination any quicker when we shift from lane to lane in traffic. Unfortunately, many investors have also failed to take notice of this lesson. Turnover, or how quickly an investor transacts, has reached new heights, but the evidence shows investors don't appear better off. Turnover is not categorically bad, but patience and discipline should derive a greater premium. That makes this new turnover paradigm curious, worrisome, and in need of a closer examination.

The Origins of the New Turnover Paradigm

The complexion of the average investor has changed markedly over the past few generations. Consider that in 1957, the average investor had an 8 year holding period (13 percent annual turnover) as measured by activity on the New York Stock Exchange. The new breed of investor is a seemingly more impatient one with an average turnover of 100 percent (one year holding period)[1]. Interestingly, the Securities and Exchange Commission helped put in motion this seismic shift. On May 1st, 1975 they issued an edict to unwind the fixed high cost commission structure. For example, Charles Schwab charged $60 per trade in 1998 and now charges less than $10 for an online trade. The commoditization of trading costs, while well-intended, may have perversely done a disservice to investors as it paved the way for more frictionless trading.

There are a variety of other contributing factors to this new turnover paradigm beyond costs. You can point your finger at the decimalization of stock prices in 2000 and 2001, the adoption of electronic trading networks, and the rise of hedge funds. Yet, it should come as little surprise that the velocity of transactions has reached new heights during the information age. We have news streaming at all times from all directions. The benefit is that investors are empowered with more data than ever. The downside is that this information also creates that many more reasons to implement a trade. Research shows that increased information flow can make the future appear more predictable, which breeds over-confidence and can induce trading[2]. Further, according to the social proof theory, we look to what others do or say to determine what we think is correct. We are innate imitators, not initiators.

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Investor Turnover continued

Hence, when presented with a barrage of investment views, investors are predisposed to react. When we mix our behavioral biases with increased information flow we get a recipe for high investment turnover.

High Turnover, High Stakes

The heightened chance of incurring capital gains is one outcome of elevated turnover. Curiously, despite now being treated as somewhat compulsory, the capital gains tax is in large part discretionary and can be avoided. Absent a corporate event (ownership of acquired company in a corporate stock purchase), an individual investor can acquire an asset, let it appreciate, and carry it into his estate. The result being avoidance of capital gains taxation while living. Further, at death, his heirs can receive a 'stepped-up' basis of an appreciated asset[3]. This resetting of basis can eliminate the unrealized gain. It is also a tax that incentivizes patience. Assets held for less than one year holding period will generally be subject to a heightened rate of taxation, relative to long term character asset sales. Therefore, investment inaction can result in the minimization and possible circumvention of the capital gains tax.

As the adage goes "It's not what you make, it's what you keep". Thus, the taxable investor should gauge investment results on an after-tax basis. Yet, the average investor flirts with danger with a one year-holding period, as a modest misstep can noticeably change the after-tax results. This is because the holding period is right at the line of demarcation for the character of a realized gain (long-term vs. short-term). Only one day separates what could be the difference of upwards of 20 percent of the pre-tax gain[4]. There are other tax considerations for hastened turnover, such as an investor violating the holding period requirement (minimum 61 days) necessary to attain qualified dividend status[5]. The taxation of the dividend could also be upwards of 20 percent higher as it reverts back to higher ordinary income rates. Higher pre-tax performance can overcome the resulting taxation from higher turnover, but the break-even amounts can be considerable. For instance, according to Parametric Associates, a taxable investor with 100 percent turnover would need to generate at least 1.9 percent in additional return per annum to keep pace with a portfolio with 10 percent turnover[6]. Yet, despite the performance hurdles, high turnover has oddly become en vogue.

The Uphill Performance Battle

Evidence indicates that high turnover stymies the pursuit of financial gain. Look no further than the results of the average investor from 1993 to 2012. On an annualized basis the average investor returned 2.3 percent, compared to 8.2 percent, 6.3 percent, and 2.5 percent for domestic large cap stocks (S&P 500), bonds (Barclays Capital U.S. Aggregate Index), and inflation (CPI), respectively[7]. This under-performance is often the result of emotion-laden turnover. Notably, the average investor, motivated by fear of financial loss, thinks in a linear way during times of market duress. In these periods, temporary is seen as permanent, and as markets fall the inclination to sell increases. The counter-intuitive pattern of recent mutual fund investor flows corroborates this behavioral vulnerability. From 2009 through 2012 investors pulled $398 billion from domestic equity mutual funds, with bond funds being the prime beneficiary of redeployed proceeds. It wasn't until last year when we saw a reversal of this trend with equity flows exceeding bonds flows by $41 billion for the year through November. While bonds have delivered positive returns during this observation window, the S&P 500 soared in excess of 200 percent from the generational lows reached in early 2009 through the end of 2013. Unfortunately, market corrections, like the 2008 global credit crisis, result in emotions overcoming sound reasoning. This paves the way for turnover that is ill-timed, unnecessary, and corrosive to overall portfolio performance.

Fund Category	Managed Fund Category Average	Index Fund by Category*	Top-Rated Fund by Category**
Large-Cap Growth	97%	25%	2%
Large-Cap Blend	77%	7%	68%
Large-Cap Value	63%	22%	8%
Mid-Cap Growth	118%	NA	63%
Mid-Cap Blend	115%	27%	59%
Mid-Cap Value	76%	NA	7%
Small-Cap Growth	117%	48%	50%
Small-Cap Blend	88%	25%	11%
Small-Cap Value	68%	36%	16%
Foreign Stock	90%	3%	201%
High Quality Bond	196%	64%	16%

* Vanguard Group index fund serves as proxy for each respective asset class.

** Using Morningstar Fund Investor data, the fund with the highest annualized ten-year total return was selected in each fund category

Industry professionals have also benefitted from a more patient approach. Consider the following categorized results for the ten year period ending in 1996[8]. Asset managers across

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Investor Turnover continued

a variety of asset classes, excluding the anomalous foreign stock segment, generated better results for their respective peer groups in part due to low turnover. While the study was conducted more than decade ago, more recent results confirm that the inverse relationship between turnover and performance is enduring[9]. The success of index funds, which are low turnover vehicles, reinforces this stance[10]. Low turnover does not guarantee investment success, but the evidence shows that patience does help produce improved returns.

Different Varieties of Turnover

Surely, not all shorter-term trading is ill-advised. Further, turnover can be necessary at times. Mistakes happen, exogenous events occur, and the fortunes of investments are rarely constant. Yet, turnover comes in different varieties with some versions more productive than others.

One of the most productive forms of portfolio turnover is tax-loss harvesting. In fact, it can deliver about one percent more to after-tax performance over long stretches of time as compared to a conventional buy-and-hold approach[11]. The premise of tax loss harvesting is to enhance after-tax performance without disrupting pre-tax results. Mechanically the exercise starts with identifying assets with unrealized losses, along with surrogate assets. The surrogate is the asset rented during wash sale period, which spans the 30 days after the loss is realized[12]. The trade is then reversed after the wash sale period lapses. If executed correctly, this form of turnover can generate a tax benefit with limited portfolio slippage.

Tax-loss harvesting does entail risks. First, there is the chance that waiting to harvest losses, particularly for well-seasoned portfolios, may harm pre-tax performance. 'Tax alpha' tends to be most plentiful during the early years of a portfolio when the market value is closest to cost basis[13]. Second, the surrogate asset cannot be substantially similar to the asset sold. Otherwise, the capital loss is deferred. Unfortunately, given the incalculable combination of investments, there is no IRS guide book to definitively determine whether or not assets are substantially similar. The only sure fire way to determine ex-ante if an asset is substantially dissimilar is through a Private Letter Ruling, which is often not practical due to the associated costs and time[14]. The prudent taxable investor needs to arrive at a defensible position before execution, but also realize there are no guarantees.

Mean reversion can also complicate a tax-loss harvesting strategy. Realizing a loss is effectively 'selling low'. Thus, there is the distinct possibility of selling an oversold asset ripe for a turnaround in performance. This risk is partially mitigated through exposure to the surrogate. Yet, there is also the risk that the surrogate increases too rapidly. Substantial appreciation of the surrogate asset during the wash sale period gives rise to the vexing issue of potentially incurring a gain that eclipses the initial realized loss. The thoughtful investor will find a surrogate he can comfortably own for period of time that exceeds the wash sale window.

Tax loss harvesting of gold offers a great case study. Gold had a challenged 2013, which likely converted many positions from unrealized gain to loss. There are two popular, very liquid exchange traded funds that give exposure to the spot price of gold bullion. If a taxable investor was intent on maintaining his gold exposure, the first place to look would be the other aforementioned gold solution. They both have differences in terms of fees, liquidity, and the gold exchange (New York Mercantile vs. London) they are designed to track. Perhaps these differences rise to the level of substantial differentiation. While defensible, there is risk that the IRS would disagree. In order to gain more comfort, the surrogate could be comparable, but obviously dissimilar, investments, like gold miner stocks or even silver bullion. However, these are historically more volatile investments than gold. So an investor is faced with the potential disallowance of the tax loss or more unpredictability related to their pre-tax results, which should be illustrative that tax-loss harvesting is no free lunch.

Tax gain harvesting, like tax loss harvesting, is another variety of tax motivated turnover. This is a concept that gains traction when there is the specter of higher tax rates. The purpose is to incur gains now, as opposed to at a later date when rates are thought to be more punitive[15]. The advantage is expediting the tax realization to create more future flexibility from an investment standpoint as one is not held hostage to an embedded gain. However, there is only one guarantee in this equation - a realized gain. This realized gain creates a higher performance hurdle rate for the taxable investor, as previously mentioned. Tax gain harvesting also discounts the innate cyclicality of the markets and asset correlations. Markets naturally ebb and flow and in a thoughtfully diversified portfolio of uncorrelated assets there may be tax loss harvesting candidates in the future that do not exist now. Tax gain harvesting does have merit, but needs to be carefully analyzed on a pro-forma basis.

Concluding Remarks

Turnover should not be prescriptive as there is no single formulaic way of determining the 'right' amount. It's an intimate figure; dependent on an individual's finances,

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Investor Turnover continued

liquidity, politics, and rate of taxation. Further, not all portfolio turnover proves unproductive and many investors do not recognize capital gains (ex. sales in retirement vehicles)[16]. Additionally, low turnover does not guarantee investment success. However, it does appear to improve the probabilities of long term value generation so as compared to a higher turnover orientation. Low turnover may not be trendy, but don't let its unpopularity overshadow its benefits.

Thomas Raymond, CFA, is a wealth manager in Philadelphia. He has an undergraduate degree from Penn State (University Park) and graduate degrees in finance and taxation from Drexel and Villanova, respectively. This article and comments by Thomas Raymond are his opinion and are not intended to be investment or financial advice. We recommend that you consult your tax and financial advisors before beginning an investment strategy or making changes to your investment portfolio.t

1 Best Practices for Long-Term Investors in a Microsecond Market, Motley Fool, September 14, 2012
2 The Internet and the Investor, Brad Barber and Terrance Odean, Journal of Economic Perspectives, Winter 2001
3 USC § 1014 - Basis of property acquired from a decedent
4 In 2014, individuals in the top tax bracket are subject to a 39.6 percent rate on short term federal capital gains and 20 percent on long term gains. Individuals in the lowest tax bracket are not assessed a federal tax on long term capital gains. This does not include any applicable differences at the state level.
5 USC § 1(b)(11)(B)(iii)(1) – Tax imposed. Investor must hold shares of common stock unhedged for at least 61 days out of the 121-day period that began 60 days before the ex-dividend date.
6 This is based off a four percent return. The difference is 6.62 percent for a 12 percent return.
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8 Portfolio Turnover, Richard Loth, Investopedia, September 21st, 2009
9 Over the past ten years ending September 30th, 2013, US large cap growth managers in the top quartile of performance had an annualized turnover ratio of 62 percent compared to 81 percent for the bottom quartile. Data was sourced from Callan Associates with a sample size of 45 managers.
10 Indexes Beat Active Funds Again in S&P Study, Forbes, October 11th, 2012
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12 USC § 1091(a) - Loss from wash sales of stock or securities
13 Tax-Efficient Investing in Theory and Practice, Spring 2010, Parametric Portfolio Associates
14 Private Letter Rulings are taxpayer-specific rulings furnished by the IRS National Office in response to requests made by taxpayers and/or Service officials. They have no precedential value per USC § 6110(k)(3).
15 There is no wash sale period to navigate, which removes friction from the strategy execution.
16 In 2005, mutual funds distributed $129 billion in capital gains to shareholder. Approximately 40% of these distributions were paid to taxable accounts. The Value of Tax Efficient Investments: An Analysis of After-Tax Mutual Fund and Index Returns, Longmeier and Wotherspoon, 2005

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Member News

The National Association of Estate Planners & Councils (NAEPC®) recognized Albert E. Gibbons as an entrant into the Estate Planning Hall of Fame® as a recipient of the Accredited Estate Planner® (Distinguished) Designation for 2013. The NAEPC Estate Planning Hall of Fame® and the Accredited Estate Planner® (Distinguished) Designation are designed to recognize significant and outstanding lifetime achievement and contributions to the practice and profession of estate planning within the professional disciplines of accounting (CPA), insurance and financial planning (CLU®, ChFC®, CFP®), legal (JD), trust services (CTFA), as well as in the academic arena. The NAEPC® considers this award and designation to be the highest professional honor and recognition of the pinnacle of achievement and accomplishment within the field of estate planning. Al was honored at an awards ceremony on Friday, November 22, 2013 at the 50th annual NAEPC® Conference in Las Vegas, NV. His biography was included in the awards presentation and the meeting materials.

Al was the President of the Philadelphia Estate Planning Council in 2008-2009 and to this day remains a very active member. He has been an AEP® since July of 1997. The following information was highlighted in Al's biography at the awards ceremony. Al is the creator of the 80/20 Estate Plan™, and his expertise emphasizes an effective estate planning process that results in clients taking action and achieving the desired results. A talented thinker, speaker and writer, he has achieved a national reputation and is sought after to explain what he does and why it is so effective. Al is a Life Member of the Million Dollar Round Table and the prestigious Top of the Table. He is an active member of the Forum 400, the Association for Advanced Life Underwriting, and the Philadelphia Estate Planning Council. He is the proud recipient of the Paul S. Mills Scholarship (2002) from the Foundation for Financial Service Professionals and the Distinguished Estate Planner Award (2005) from the Philadelphia Estate Planning Council. Being active in the local community has always been important to Al. He is a past Board Chair for the Visiting Nurses Association (VNA) of Trenton, NJ, and has served as past president for St. Joseph's Prep Fathers' Club and Spring-Ford Country Club. Al continues to be an active member of the Philadelphia Zoo Gift Planning Advisory Council and Temple University Planned Giving Advisory Council.

When I spoke to Al recently about his long history of service with PEPC I asked him what he felt was special about our council, and Al cited our commitment to be an inclusive organization. He said he has been pleased to see such strong leadership in our council and he noted that we continue to improve and evolve through the years. He commented that in spite of being a very large council, we are also a vibrant group as we look to the future. We are fortunate enough to have a roster of nationally recognized speakers who are leaders in their fields. He mentioned our focus on cultural enrichment which is fostered by our inclusive nature.

Al is deeply committed to collaboration in estate planning and in bringing all the right members of the team to the table to support and assist the client. He spoken on this topic for NAEPC®, The Top of the Table and to multiple estate planning councils, including; Tampa Bay, New York City, Lehigh Valley and Montgomery County, PA. He has also spoken on ethical topics including a presentation titled "Ethical Issues for the Estate Planning Team" for the PEPC Roundtable Series. His article titled "How Collaborative Teams Work and Why They Are Essential for High-Net Worth Clients", originally published by the Journal of Practical Estate Planning in February/March 2008 was the basis of a special AEP® Session at the NAEPC® Conference in 2012.

To learn more about Al Gibbons please visit his website at www.algibbns.com

To learn more about NAEPC® or the AEP® Designation visit www.NAEPC.org

Submitted by M. Eileen Dougherty

Please be sure to connect with our Council through the PEPC LinkedIn group page.

Member News

J.R. Burke, Founding Principal of Perspective Financial Group LLC, has qualified for the Million Dollar Round Table's (MDRT) Top of the Table.

The MDRT's Top of the Table is an exclusive forum for the world's most successful life insurance and financial services professionals. Those who qualify demonstrate a commitment to providing exemplary client service, while displaying the highest standards of ethics and professional knowledge.

J.R. graduated from the Wharton School of the University of Pennsylvania with a BS in economics and a major in insurance in 1976. He successfully completed the CLU exams prior to his graduation, and also holds the ChFC and CFP® designations. In 2011, 2012 & 2013 he was named one of America's Top Financial Planners by Consumers' Research Council of America. J.R. has led numerous continuing education sessions and is currently a member of MDRT, AALU, and serves on the Board of Directors of the Philadelphia Estate Planning Council. He was also selected in 2011, 2012 & 2013 as one of the Philadelphia Area's Five Star Wealth Managers.

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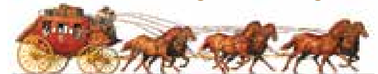

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Social Committee News

On behalf of the social committee we would like to extend our deepest thanks to **Charlie Coursey** and **Kit McCarty** for their years of service taking photographs for the golf and tennis outing and many other social events over the last ten years.

Charlie has volunteered his time and talent on taking the pictures at no cost to the council for years. The only expense we ever incurred was the PEPC frames for the pictures and development. This has saved the council thousands of dollars over the years and for this we are truly grateful.

Kit has been on the social committee for years and as Charlie's sidekick has endured his hours of planning and mapping out the many courses, trips to get the photos developed and them putting them all together by the end of the day for our golfers and tennis players.

Charlie on behalf of the committee and the estate planning council please accept our sincere gratitude for your many years of service and a job well done. We will miss you and the great smiles you have provided over the years.

Sincere thanks to the rest of the committee as well for their years of service on social and golf and tennis. PEPC could not provide all these events without the planning of the dedicated members of the committee and all the time and effort that goes into the events. A big "THANK YOU" to each of you!

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"Beyond" by Jonas Lie, oil on canvas, sold for $146,500, Auction Record
From The George D. Horst Collection of Fine Art, 20 auction records set, 100% sell-through on March 30, 2014

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February Luncheon Program

BDO USA Sponsor Charles Waldecker, President Kathleen Kinne, Speaker Barbara Sloan, with Madeline Janowski and Juanita DiMattesa of BDO USA.

March Luncheon Program

Sponsor Phil Jodz, Abbot Downing with Speaker Bruce Stone, Sponsor Scott Small, Wells Fargo Private Bank and President Kathleen Kinne.

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2014-2015 Luncheon Programs – 11:45 – 1:45 p.m.
All education programs are held at The Union League,
140 South Broad Street, Philadelphia.

2014 Annual PEPC Golf and Tennis Outing

Monday May 19

Golf – St. David's Golf Club
845 Radnor Street Road, Wayne, PA 19087
Tee Time: 12:30 p.m.

Tennis – Philadelphia Cricket Club
St. Martins Clubhouse
415 W. Willow Grove Ave., Philadelphia PA 19118
Round Robin: 2:30 p.m.

Golf Registration:	10:30 a.m. – 12:00 p.m.
Lunch Buffet:	11:15 a.m. – 12:30 p.m.
Golf Tee Time:	12:30 p.m.
Tennis Round Robin:	2:30 – 4:30 p.m.
Roundtable Program:	4:00 – 5:30 p.m.
Reception:	
Cocktails & Hors D'oeuvres:	6:00 p.m.
Dinner:	7:00 p.m.

Tuesday, September 16, 2014
Topic: Estate Planning for the "Moderately" Wealthy Client
Speaker: Beth D. Tractenberg, Katten Muchin Rosenman LLP New York, NY

Tuesday, October 21, 2014
Topic: International Estate Planning
Speaker: Ellen Harrison, Pillsbury Winthrop Shaw Pittman LLP
Washington, DC

Tuesday, November 18, 2014
Topic: Economic Matters
Speaker: Anirban Basu, Sage Policy Group, Washington, DC

Tuesday, January 20, 2015
Speaker/Topic - TBD

Tuesday, February 17, 2015
Topic: Asset Protection
Speaker: Gideon Rothschild, Moses & Singer, LLP, New York, NY

Tuesday, March 17, 2015
Speaker/Topic - TBD

Register at www.philaepc.org