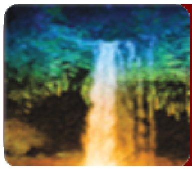


Famous Families Who Failed to Plan

There have been numerous surveys and studies done on the number of people in this country who have not done any estate planning and in many situations, don't even have a will. While the survey results vary, the one consistency is that the number is well over 50% of adults. That is astounding in this day and age, particularly given the number of recent celebrity deaths causing their families unnecessary grief. And, even though we're talking about celebrities, the anguish is not always just about money.

With respect to family owned businesses, the failure to plan for its succession is equally disappointing. Hence, statistics show that only 30% survive into the next generation; 12% make it to the third generation; and only 3% make it to the fourth generation and beyond.*

The following is a sampling of things going very wrong for famous people, their families, and their businesses, because of the failure to plan or the failure to update and maintain a plan. The general public tends to idolize celebrities. This is one situation where you don't want to be like them, so work with your advisor and plan now!

**The Family Business Institute*

Heath Ledger

Heath was a young, well respected actor whose star was quickly rising after his Oscar-nominated role in the movie Brokeback Mountain, died in 2008. He had a simple will filed in his native Australia that was drafted in April, 2003. He subsequently had a daughter, Matilda Rose, in 2005 with the actress Michelle Williams. Unfortunately, the will was never updated. Obviously, there were no provisions made for Matilda Rose or for Michelle.

Anna Nicole Smith

Anna Nicole Smith was a former Playboy Playmate, Guess jeans model, reality TV show star and exotic dancer. Her life resembled a soap opera. Once married to a Texas oil baron and billionaire, J. Howard Marshall II, Anna was in the middle of estate litigation at the time of her death, seeking a share of her husband's estate. The battle had been raging on for many years.

Anna had a will drafted on July 30, 2001. The will left everything to her son, Daniel. The will was somewhat ambiguous in that it contained conflicting provisions that seemed to indicate future children were excluded from any inheritance. Anna's long-time companion, Howard K. Stern was named as executor. Well, guess what? The will was never updated and Anna had another child, Dannielynn in 2006. Unfortunately, in February, 2007, Anna died, causing a media circus. Part of that circus was who Dannielynn's father was – Howard or Anna's former lover, Larry Birkhead, or still others? To make matters worse, Daniel predeceased his mother and died shortly after the birth of Dannielynn.

Karen Carpenter

The beautiful voice and music of Karen Carpenter stopped in 1983 when she died. She was the winner of 3 Grammy's and had 8 gold albums and 10 gold singles. Although Karen had somewhat of an estate plan, she did not plan for the payment of the estate taxes due. She left $2,721 in the bank and most everything else was illiquid. Her family had to sell virtually everything to raise the cash necessary to pay for the estate taxes. Of course, a forced sale like this would not have yielded the best sales price and ultimately, Karen's estate was reduced by 58% simply because she failed to have a complete and funded estate plan.

Philip and Helen Wrigley
Philip and Helen died in 1977 within three months of each other. They are best known for two things: the Chicago Cubs baseball team, and owners of the Wrigley Company, maker of the famous Wrigley chewing gum. After years of negotiating with the IRS and several states' taxing authorities, the Wrigley family settled on valuation issues and the amount of estate taxes owed – over $40 million. After selling off the family portfolio of stocks, in the end, the family had to sell the Chicago Cubs. All of the proceeds from that sale went to the government to pay off estate taxes. Philip and Helen did not have life insurance to provide the liquidity needed to pay the taxes on their illiquid estate.

Joseph "Joe" Robbie
Joe Robbie was raised in a modest family that survived the Great Depression. Joe went on to serve his country in the U.S. Navy and then became a successful trial lawyer in South Dakota. Later on, his entrepreneurial spirit kicked in and he became a co-founder of the Miami Dolphins – a National Football League team that won consecutive Super Bowls in 1973 and 1974 including a perfect 14-0 season. Joe's dream was to have his family continue in his footsteps when he was gone, which happened in 1990. His wife passed away soon thereafter, and due to a lack of planning, the estate tax bill was an estimated $47 million. Although the Robbie estate was estimated to be a little less than $100 million, there was insufficient liquidity to pay the estate taxes. As a result, the Miami Dolphins team was required to be sold for a fraction of its value. The Robbie's did not have life insurance to provide the liquidity need to pay the taxes on their illiquid estate.

The celebrity list goes on and on with names recognized by most Americans, yet, these celebrities either didn't plan their estates or insufficiently planned their estates, including the failure to regularly update their plans due to various life events.

Elvis Presley – the King: estate shrinkage of 73%

Marilyn Monroe – movie screen goddess: estate shrinkage of 55%

Rock Hudson – movie star: estate shrinkage of 54%

J.P. (John Pierpont) Morgan – financier, investment banker and philanthropist: estate shrinkage of 69%

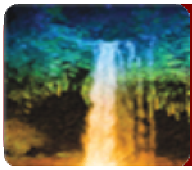
John D. Rockefeller, Sr. – oil baron, industrialist and philanthropist: estate shrinkage of 64%

Alwin C. Ernst – a CPA and founder of Ernst & Young: estate shrinkage of 56%

Howard Gould – son of Jay Gould, railroad baron: estate shrinkage of 78%

William Boeing – founder of Boeing, the aircraft manufacturer: estate shrinkage of 47%

Yet, it doesn't have to be this way! In stark contrast to all of the celebrity failures to plan, you have the success story of **Jacqueline Kennedy Onassis**, one of America's royalty. She had a very comprehensive estate plan that was updated regularly.



Estate Planning

According to Fortune magazine, less than 3% of her estate, which exceeded over $200 million, was lost to federal estate taxes. You don't need the great wealth that these celebrities enjoyed to benefit from a well considered estate plan or business succession plan. If you only plan for the succession of your business and/or for the estate taxes that may be due when you pass away, you can leave a lasting financial legacy and ensure that your heirs receive what you worked so long and hard for.

Please consult with your Guardian Financial Representative if you have any questions concerning this document.

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