



Meltzer, Lippe, Goldstein & Breitstone, LLP

"Want More? Demand Better! Hire Us."



Pittsburgh Post-Gazette

Inheritance Conflicts Pit Relatives Against One Another

By: Tim Grant / Pittsburgh Post-Gazette

Jul 3, 2014 -- The baby boomer generation is poised to inherit an estimated \$8.4 trillion from their Depression-era parents, with a median amount of \$64,000, according to a study of inter-generational wealth transfer by MetLife.

But the dark side of what will be the greatest transfer of wealth in history is that families are being torn apart by sibling rivalries that have emerged from bitter battles over their parents' money.

"It's a relatively new phenomenon," said Avi Kestenbaum, a trusts and estate lawyer at Meltzer, Lippe, Goldstein & Breitstone in Long Island, N.Y. "These are desperate times. People are desperate for money and more willing to fight about it. People are also not embarrassed to air their grievances in public. They are not as concerned about privacy and are more likely to take their siblings to court."

Not too long ago it was a disgrace for families to fight over a will, and only the rich even dared to go that route. Today legal and financial professionals who handle estates say there is less shame in sisters and brothers suing each other when they feel a parent's will does not treat them fairly, and the amount of money and possessions they allow to come between them often are small.

Gerard Brew, former chair of the committee on real property and trusts and estate law for the Chicago-based American Bar Association, said courtroom showdowns between family members who disagree with wills are on the rise, although it's difficult to measure the increase in a quantifiable manner. The cases don't always go to trial or a final court disposition. Courts, more often than not, will refer these cases to mediation or some other settlement mechanism.

"Many of these disputes stem from some longstanding sibling rivalry or discontent," said Mr. Brew, who practices trusts and estate law at the McCarter & English law firm in Newark, N.J. "The fact that a parent dies with substantial wealth and favored one sibling over another makes it more likely a dissatisfied sibling will chose the litigation

Featuring:



*Avi Z. Kestenbaum
Co-Chair,
Trusts & Estates
Meltzer Lippe*



190 Willis Avenue, Mineola NY 11501 Phone: 516-747-0300 Fax: 516-747-0653

info@meltzerlippe.com Copyright © 2001-2014 Meltzer, Lippe, Goldstein & Breitstone, LLP



Meltzer, Lippe, Goldstein & Breitstone, LLP

"Want More? Demand Better! Hire Us."

route.

"If the case is resolved through a settlement, it's more likely they will down the line heal wounds. But if it's a long protracted litigation that goes to trial, it's less likely they will recover, from what I've seen." Jackie Silvey, general counsel for NAM, a national administrator of arbitration and mediation services in Garden City, N.Y., said her company has definitely gotten more inquiries related to family disputes. Those cases may involve trusts, the care of parents or disputes over wills.

Some of the major reasons for the inheritance battles, according to Mr. Kestenbaum, are that baby boomer parents and baby boomers are the first generations in which many people pass or will pass away with significant assets. He said most middle class people who die today own a home, life insurance, a retirement account and other assets of value.

People also are living longer, and the staggering number with Alzheimers and other elder issues and impairments means greater potential for fraud, undue influence and other issues involving family members. And there can be complex family structures due to second and third marriages, and children from multiple marriages.

When family businesses and real estate are involved in an inheritance, it adds to the complications. An operating business can't just be divided in half or in thirds. Many complex issues arise as to who leads the business, who has the right to work there and who makes management decisions over the real estate.

Mr. Kestenbaum suggests parents can avoid dispute among their children after death by not tying children together in the same real estate or same business, if possible. They should also avoid showing blatant favoritism by dividing assets as equally as possible.

It's best to make estate planning decisions while they are healthy and strong, not when frail. Families fighting over money is nothing new. It's a topic as old as the hills, and it even happens in families of modest means, said Robert Fragasso, CEO of Fragasso Financial Advisors, Downtown.

He dealt with a case 30 years ago where a son came back to Pittsburgh for his father's funeral, stole his father's will and took it back to California with him so that the father would have appeared to have died without a will. That would mean he and his sister would split a small estate equally.

"There was a happy ending to the story, but it took some coercion," Mr. Fragasso said, adding that parents can minimize the family warfare by being very specific about what they are leaving each child in writing.

"What I always say to my daughters — and they laugh, but it makes the point — is if they fight, they better believe in ghosts because I'm coming back."

Link: <http://www.post-gazette.com/business/2014/07/04/Inheritance-conflicts-pit-relatives-again-one-another/stories/201407020013>

###



190 Willis Avenue, Mineola NY 11501 Phone: 516-747-0300 Fax: 516-747-0653
info@meltzerlippe.com Copyright © 2001-2014 Meltzer, Lippe, Goldstein & Breitstone, LLP

ATTORNEY ADVERTISING