

**Attorneys for Family-Held Enterprises (afhe)
2009 Spring Conference
Charleston, South Carolina**

ABSTRACTS OF SPEAKER PRESENTATIONS

THURSDAY, APRIL 23, 2009	
Title	Addiction's Effect on Family Businesses and Trust Beneficiaries
Speakers	<p>John A. Warnick, JD, is a senior partner in the Denver office of Holme, Roberts & Owen, LLP. He chairs the Firm's Private Client Services practice group and is a fellow of the American College of Trusts and Estates Counsel</p> <p>William F. Messinger, JD, LADC is the founder and President of Aureus, Inc. His firm specializes in advising family business owners, and trustees facing addiction in family employees and beneficiaries.</p>
Main Topic(s)	Succession, Governance Planning, and Family Systems Issues when a family member is dependent on alcohol and/or drugs.
Subtopics	<ul style="list-style-type: none"> • 1. Integrated Solutions to Addiction in Family Enterprises: New Ways to Conceptualize and Address a Statistically Probable Disease • 2. Governance Documents: For Trust and Estate Planning and Family Businesses • 3. Impact on Family Business and Beneficiaries: Signs and Symptoms, Effects on Advisors and Managers, and Defensive Mentality (Protect and Conserve) • 4. Addiction Education: Criteria for Addiction, Treatment, and Family Systems Approach
Program Summary	<ul style="list-style-type: none"> • Attendees will learn how to build the capacity of wealthy families to respond to the power of addiction in ways that both help the addict and promote successful recovery for the family system (including businesses, trusts and shared resources). • The speakers will present a Case Study of a family business in transition in order to promote audience discussion of the dynamics of addiction within family enterprises and to highlight curriculum information.
Connection to Attorneys Advising Family Business	<p>John is an AFHE member. He serves as a resource and a connecting point for corporate fiduciaries and private trust companies, spending over twenty percent of his professional life facilitating family retreats and providing what he describes as "Beneficiary Preparation".</p> <p>Bill is an AFHE member and is a licensed alcohol and drug counselor, as well as a lawyer. Bill's interests include collaborating with advisors on ways to successfully address addiction in a family member and improve over all family health and well-being.</p>

Title	The Use of Variable Life Insurance (Including Domestic Private Placement Variable) in Estate Planning: Not Your Father's (or Mother's) Life Insurance Policy
Speakers	Larry Brody, Esq. , Partner and Leader of the Private Client Service Group at Bryan Cave, LLP, St. Louis, Missouri Mike Cohn, CLU, ChFC , Managing Director at CFG Business Solutions, LLC, Phoenix, Arizona
Main Topic(s)	Variable Life (VUL) and Private Placement Life Insurance (PPLI) products can be successful planning tools (even in today's environment) when properly designed, funded, and monitored. Common misunderstandings about VUL and PPLI, non-gift funding (and exit) strategies, fiduciary issues, volatility management, and cases studies will be covered.
Subtopics	Domestic Private Placement Life Insurance (PPLI) provides greater flexibility in investment options and lower costs. Clients can stay "on shore" and take advantage of PPLI opportunities including IRS safe harbors for investment advisors who create insurance dedicated funds.
Program Summary	<ul style="list-style-type: none"> • Industry Overview • Variable Universal Life (VUL) Characteristics • VUL Planning Applications • Policy Charges: What Happens in the "Black Box?" • Managing Investment Risk in Variable Life • Private Placement Life Insurance (PPLI) • Premium Financing Techniques • Private Split-Dollar Arrangements
Connection to Attorneys Advising Family Business	The impact of life insurance company downgrades and solvency issues are critical for the family business advisor to understand. Capital and surplus requirements are increasing, causing general account products to be re-priced (higher). VUL and PPLI may seem like a contrarian option for conservative clients and advisors but may be the best solution when properly understood.

Title	Valuation Update
Speakers	Alex W. Howard , CFA, ASA, Howard Frazier Barker Elliott, Inc. Bill Cranshaw , Management Planning, Inc.
Main Topic(s)	Review of Tax Court Valuation cases Review of Recent Settlements with IRS Current Valuation Developments
Program Summary	<ul style="list-style-type: none"> • Case Summary • Analysis of the cases from a professional valuation perspective • Detail on recent IRS settlements • New tools to determine or validate discounts
Connection to Attorneys Advising Family Business	Alex and Bill are both principals in valuation firms that work with family owned businesses. Alex is an AFHE member, and Bill is a member of AFHE's Board of Directors.
Title	With the Continuous Collapse of Financial Markets, Should the Trusted Advisor Become Trustee?
Speakers	Patricia Annino Esq. Chairperson of the Estate Planning Group of Boston Law Firm Prince, Lobel, Glovsky, &Tye LLP George Burns Esq. Partner Bernstein Shur, Portland, Maine " Mediator and Arbitrator " Thomas D. Davidow Ed.D Founder Thomas D. Davidow & Assoc., Family Business Consultant
Main Topic(s)	This will be an interactive session moderated by Patricia Annino asking questions of the two panelists about inherent advantages and risks of the trusted advisor becoming a trustee. The discussion will then be opened to the larger group.
Connection to Attorneys Advising Family Business	Family business attorneys and other close advisors are sometimes asked to serve as trustee or co-trustee of trusts for the benefit of the owners' family members. The family may benefit from leveraging off an existing close connection, but risks for the advisor are significant.

FRIDAY, APRIL 24, 2009

Title	Preparing the Company for Sale: Steps Business Owners Can Take To Maximize Value
Speakers	Jim Dwyer, President, MPI Securities, Inc.
Main Topic(s)	Addresses steps business owners can take to maximize shareholder value as they build their businesses and prepare for the possible sale of their companies.
Program Summary	<ul style="list-style-type: none">• The timing decision• Investing in the business• The management team• Accounting systems• Build a team of professional advisors• The difference between what you want and what it's worth• Pre-transaction estate tax planning• Preparing for due diligence• Leverage your advisors• Using an investment bank to develop and manage the shareholder liquidity event

Title	Governance Solutions In Two Family Business Cases
Speakers	Jack Moore , Former Director, Benjamin Moore Paints and Advisor to National Association of Corporate Directors' Family Business Initiative Ritter Arnold , President, Ritter Agribusiness Kevin Wall , Director, Wall Family Enterprises
Main Topic(s)	Governance illustrations involving use of a trust, family council and independent boards for a 4 th generation and 2 nd generation business.
Program Summary	<ul style="list-style-type: none">• Jack Moore will open with remarks on governance issues relevant to the two business cases.• Ritter Arnold will tell the story of how his centennial family business is transitioning to governance by a professional board, made possible through formation of a family council. Ritter brings the perspective of a 4th generation executive in the family business.• Kevin Wall will describe his family's governance solution which consists of a trust that holds all shares of the family business and an independent board of directors, chaired by his entrepreneurial father.

Title	Economics and Best Practices of Law Focused on Business Owners
Speakers	Chuck Santangelo , Senior Consultant, Hildebrandt International
Main Topic(s)	A presentation focused on dealing with clients and colleagues relating to business owners.
Subtopics	<ul style="list-style-type: none"> • Current economy and its impact on the legal profession • Business owners <ul style="list-style-type: none"> - Evolution of T&E practice - Private wealth management - Business owners' concerns and challenges - Attorney concerns and challenges • Best practices of top practice groups <ul style="list-style-type: none"> - Key successes - Business planning
Program Summary	<ul style="list-style-type: none"> • Presentation and discussion of opportunities and challenges facing those who serve business owners in turbulent times as the practice of law itself changes.
Connection to Attorneys Advising Family Business	Chuck Santangelo has worked for 40 years advising lawyers as an in-house COO and as a consultant to the legal profession.

SATURDAY, APRIL 25, 2009

Title	Preserving <i>Legacy of Values ~ Ethical Wills</i> for Next Generations: Video Examples
Speakers	Iris E. Wagner, Founder & CEO, Memoirs Productions
Main Topic(s)	Preserving <i>Legacies of Values~ Ethical Wills</i> on DVD as a highly effective means to communicate the stories, values, beliefs and messages when transitioning to future generations of family, business, and philanthropy.
Subtopics	Donor Legacy Statements for family Foundations as a means to communicate philanthropic messages to next generations
Program Summary	Iris Wagner will introduce the concept and show three short video clips as examples: <ul style="list-style-type: none">• a Legacy of Values~ Ethical Will production• a manufacturing 4th Generation family business' Corporate Ethical Will• a Donor Legacy statement of a 7th Generation family (as stewards of wealth and philanthropy)
Connection to Attorneys Advising Family Business	Family businesses could easily overcome the “shirtsleeves-to-shirtsleeves in three generations” plight by communicating the mission, vision, values, beliefs and lessons learned through the use of Corporate Ethical Wills – an effective tool to honor an Elder or Founder of the firm when transitioning.

Title and Main Topic	“Life Insurance as a Family Business Asset in Challenging Times”
Speakers	Melvin A. Warshaw, Esq., General Counsel Financial Architects Partners 800 Boylston St., Suite 3010 (The Prudential Tower) Boston, MA 02199 617-259-1927 mwarshaw@fiarch.com
Program Summary	<ul style="list-style-type: none"> I. Trust Owned Life Insurance as an Investment Class <ul style="list-style-type: none"> a. How Super Affluent Families View TOLI b. Risk/Reward – Bond Like Risk/Equity Like Reward c. Flexible Time Horizon – Short, Mid and Long-Term d. Optimal Gift Tax Reporting e. “Warehousing” Approach Compared with “All Pay” f. Takeaways II. Life Insurance Carrier Safeguards – What the Family Business Advisor Needs to Know in Today’s Turbulent Times <ul style="list-style-type: none"> a. State Regulation of Life Carriers b. Carrier Ratings c. Carriers in Distress: Legal Structure v. Real World d. Carrier Safeguards (Portfolios, Reserving, SAP v GAAP) e. “Risk Based Capital” (RBS) Ratios f. Still Better Than the Rest III. No Lapse/Secondary Guarantee Life Insurance Policies: Why Are They Appropriate in Today’s Challenging Economic Times? <ul style="list-style-type: none"> a. Background: Evolution of Life Policies b. What is a No Lapse/Secondary Guarantee Life Insurance Policy? How Does It Compare? c. Advantages Over Other Types of Policies in Challenging Economic Times d. How Do the Carriers Do It? e. Shadow Account: Black Box of NLG Accounting f. “Warehousing” Approach/Optimizing IRR and NPV g. The Good, The Bad & The Ugly of NLG IV. Valuation of Life Insurance Policy – What if the Family Business Wishes to Transfer its Ownership Rights to the Insured or to an ILIT Created by the Insured? <ul style="list-style-type: none"> a. Reasons to Value a Policy? b. Differences Between Income and Gift Tax Methods in Valuing a Policy c. Differences Between New and Older In-Force Policies d. Differences Between Types of Policies (“No Lapse Guarantee vs. Whole Life/Blended Whole Life) – Insurer’s Account Value/Reserve vs. Cash Surrender Value e. Income Tax Impact of Life Settlement of a Policy f. Non-taxable Transfers of a Policy g. Split Dollar Situations h. Terminally Ill Insured
Connection to Attorneys Advising Family	Applies specific insurance selection and ownership solutions to family businesses.

Business	
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Title	FAMILY BUSINESSES & TRUSTEES: How the Two Can Co-Exist Effectively
Speakers	Larry D. Hause , JD, Shareholder and Attorney with Fredrikson & Byron, P.A. John P. Barone , VP Senior Wealth Planning Strategist, Wells Fargo The Private Bank
Main Topic(s)	How trustees can own interests in family businesses and still bring value, satisfy their duties, avoid liability, and be welcomed by the family.
Program Summary	This is an interactive session that will explore: <ul style="list-style-type: none"> • the most troubling trustee duties regarding family businesses, • the extent those duties can be limited in the trust instrument, and • <i>how</i> a trustee can own an interest in a family business (even when the trust instrument is silent) and actually bring value and avoid liability.