

# Private Family Trust Company Workshop and Symposium

February 9, 2016 - Pre-Symposium Workshop

February 10, 2016 - Symposium

Shelborne Wyndham Grand  
Miami Beach, FL



It is an active time for private family trust companies (PFTCs). Several states are embracing innovative laws in the hopes of attracting PFTCs to their borders. Existing PFTCs are implementing creative solutions in response to these new legal conditions and changing family needs. Multi-family offices are expanding their trust service offerings.

With more choices in the evolving legal landscape and much more to be learned and mastered, the 2016 FOX Private Family Trust Company Symposium will provide critical, in-depth analysis of the latest state-and trust-structured changes relevant to creating and maintaining a private family trust company. It will also explore the ways families can use PFTCs to optimize the governance of their trusts and combat the frustrations that often come with being a beneficiary. Topics will include:

- Legal developments and regulatory changes
- The latest compliance challenges, and how to overcome them
- Optimizing the business aspects of running a PFTC
- Addressing trust-related family issues
- Lessons learned from Family members with PFTCs
- How PFTCs can help beneficiaries who consider their trusts more of a burden than a blessing

#### **This year's FOX PFTC Symposium will take place over two days:**

- Pre-Symposium Workshop - February 9: for families who are considering establishing a PFTC
- Symposium - February 10: for families with established PFTCs

Those attending the Pre-Symposium Workshop on February 9 are strongly encouraged to attend the Symposium as well.

#### **Program Sponsors**



#### **FOX Private Family Trust Company Network Sponsors**



# Private Family Trust Company Symposium

February 9-10, 2016 | Shelborne Wyndham Grand | Miami Beach, FL



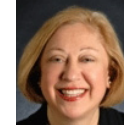
## Speakers



**Paul Cameron**  
President  
Gamble Partners



**Greg Gonzales**  
Commissioner  
Tennessee Department  
of Financial Institutions



**Mariann Mihailidis**  
Managing Director, Councils  
Family Office Exchange



**Spencer James Culp**  
Director of Trust Supervision  
State of New Hampshire  
Banking Department



**Richard Johnson**  
Tax Partner  
Waller Lansden Dortch &  
Davis, LLP



**Elizabeth Munson**  
President  
Rockefeller Trust  
Company, N.A.



**John Duncan**  
Partner  
Kozusko Harris Duncan



**Ryan Harding**  
Partner  
McDermott Will &  
Emery



**Miles Padgett**  
Partner  
Kozusko Harris Duncan



**Ruth Easterling**  
Managing Director,  
Member Services,  
Family Office Exchange



**James E. Hughes**  
Company Wise Counsel  
Research Associates,  
Philosopher



**David Peterson**  
Compliance Officer  
South Dakota Trust  
Company, LLC



**Albert L. Forkner**  
Commissioner  
Wyoming Division  
of Banking



**Kim Kusilek**  
CFO  
The HRK Group, Inc.



**James J. Ruddy**  
President and CEO  
The Dillon Trust Company



**Rob Galloway**  
Partner  
Baker Hostetler, LLP



**Diane Malarik**  
Managing Director, COO  
Moreland Management  
Company



**Carleen Schreder**  
Partner/Owner  
Levin Schreder & Carey,  
Ltd.

## Location

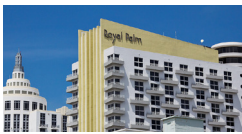
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FOX has reserved rooms at our conference hotel, **The Shelborne Wyndham Grand** at a rate of \$309 per night plus applicable taxes. To obtain the special rate, contact reservations at 305.341.1300 or toll-free at 877.999.3223 and mention Family Office Exchange. Please note that all PFTC attendees are responsible for making their own hotel reservations.

Additional rooms are available at the **Royal Palm South Beach** (short five minute walk to the symposium location) at a rate of \$309 per night plus applicable taxes. To obtain the special rate at this hotel, please call 855.811.0184.

**The cutoff date for reservations at both hotels is 1/13/2016.**

Family Office Exchange and members of the Private Family Trust Company Network would like to acknowledge, with appreciation, the continued efforts of PFTC Symposium Senior Advisor John Duncan of **Kozusko Harris Duncan** for his collaborative leadership in the development of this program.

## Assessing Impact, Creating and Operating a PFTC

As a family considers whether a PFTC would be the best trustee to make discretionary decisions on how their wealth in trust is invested, managed, distributed and spent, what do they need to know about PFTC structure and strategy? Explore a PFTC's impact on:

- Multi-generational family sustainability
- The family's strategic plan and ability to fulfill its vision for the future
- Family succession, family governance and family engagement
- Access to the most effective and highest value trust and state tax strategies
- Risk management of family assets, members, family employees and other family advisors
- Also includes an assessment of the practical implications of creating, owning and managing a PFTC, including:
  - The pluses and minuses of a PFTC in comparison to other structures
  - The costs, regulatory burdens and operational issues of a PFTC when compared to other options

## 7:30am Registration & Breakfast

### 9:00am Welcome and Introductions

**Program Hosts:** Ruth Easterling, Managing Director, Member Services, PFTC Network Moderator

Mariann Mihailidis, Managing Director, Family Office Exchange, PFTC Network Moderator

### 9:15am Primary Options for Pursuing and Achieving Strategic Family Aspirations

**Moderator:** Mariann Mihailidis, Managing Director, Family Office Exchange, PFTC Network Moderator

John Duncan, Partner, Kozusko Harris Duncan; Miles Padgett, Partner, Kozusko Harris Duncan

This discussion will explore the aspirations of ultra-wealthy, strategic families what motivates them to consider a PFTC, as well as viable alternative structures. It will include in-depth analysis of:

- Options available to these families
- Distinguishing characteristics of each option
- Circumstances when each option might best suit a particular family

## 10:15am Break

### 10:30am What Does it Really Mean to be a Trustee? How Well Can a Private Trust Company Satisfy the Requirements?

**Speakers:** Elizabeth Munson, President, Rockefeller Trust Company, N.A.

Richard Johnson, Partner, Waller Lansden Dortch & Davis, LLP

Trust industry veterans will provide participants with a candid assessment of the powers, responsibilities, duties and potential liabilities of a trustee and how a PFTC can effectively address them while meeting a family's needs and goals. Discussion will include:

- **Suitability** - How a family-owned and controlled trust company can be well-suited to exercising those powers and meeting those responsibilities through risk management, while remaining responsive to the family's values, goals and trustee services requirements.
- **Support** - Why PFTC families need not go it alone in fulfilling these requirements and the evolutionary impact of third-party resources including administrative, compliance and other technical support

### 11:30am Governing the PFTC: Owners and Directors

**Speaker:** Ryan Harding, Partner, McDermott Will & Emery, LLP

Once a family has decided to develop a PFTC and established its role, it can consider how to structure and manage the entity, including:

- Identifying a proper ownership structure for a dynastic charter
- Choosing a board; what to look for
- Required/desired officer positions, and the qualifications for each
- Required/desired committees, an overview of how they function, and how to go about choosing members
- Accepting trusts, and making trust decisions

## 12:15pm Lunch

## 1:30pm **Choosing the Right PFTC Charter State—The Four Great State Building Blocks**

**Speaker:** Miles Padgett, Partner, Kozusko Harris Duncan

The first step after deciding to form a PFTC is choosing the best home state for the family. This requires a balancing act that weighs convenience, trust and trust company laws, regulatory environment, quality of probate courts and trust bar, and tax environment. This session will identify and explain the Four Building Blocks of a great state for chartering a PFTC—and which states currently have them. Building blocks include:

- Excellent trust laws
- Tax laws and policies focused on economic development
- Positive public policy contexts
- Geographic convenience (location and interstate office authority)

## 2:30pm **Turning the PFTC Idea into an Operating Trust Company**

**Speaker:** Carleen Schreder, Partner/Owner, Levin Schreder & Carey, Ltd.

Moving from a theoretical concept into execution involves thoughtfully and comprehensively answering the 5 Ws and 1 H: When? What? Who? Why? Where? and How?

- When should we begin the application and chartering process? Or the family communication and approval process?
- What services will our PFTC provide our family besides acting as trustee?
- Who will staff our trust company?
- Why may some activities be better kept in-house, while some are better outsourced?
- Where do we execute and house operational documents?
- How do we move from running a family office to a PFTC, insure the company and management, and otherwise develop a fiduciary risk management culture?

## 3:30pm **Break**

## 3:45pm **Approval, Supervision and Examination of PFTC's**

**Speaker:** David Peterson, Compliance Officer, South Dakota Trust Company LLC

Depending on where the entity is chartered, a PFTC may receive a limited scope review once every three years or sooner based on its volume and type of fiduciary activities. As such, a veteran of trust company examinations and industry experts will provide insight into what to expect and “standard” examination procedures, including:

- Chief criteria for charter application approval
- State regulatory requirements for operations that PFTCs sometimes do not expect
- Goals and focus of examinations
- Examination process
- Post-exam responsibilities of management

## 4:45pm **Workshop Wrap-Up**

## 6:00pm **Dinner**

Symposium participants, speakers and guests are invited to join us for a reception and dinner on the Marine Deck of the Shelborne Wyndam Grand.

## Optimization and Tools for Sustaining Generations

Examines how to maximize a PFTC's potential for meeting a family's needs and aspirations. Sessions will address strategies families can implement in the areas of:

- Achieving goals
- Risk assessment and management
- Developing a sustainable family, employee and advisor culture

### Topics include:

- Review of the full range of services a PFTC can provide a family
- Utilizing third-party providers
- Maximizing the PFTC's potential in family governance, family unity and family member development
- Fiduciary responsibility controls and regulatory compliance
- Audit and examination preparation, management as key elements in successful protection of families
- Breakout sessions addressing key practical issues of PFTC operations and risk management:
  - Burdens and Solutions for Operating a PFTC Distant from Home
  - State Regulators Panel—Regulation and Exam Focuses Now and On the Horizon
  - Identifying and Meeting Client Needs Within the Multi-Family Trust Company
  - U.S. PFTCs and Foreign Trusts, Foreign Assets, and Non-U.S. Resident Family Members
- **"Ask the Experts"** - participants will be given the opportunity to have their most pressing questions and issues addressed in an interactive exchange with the experts

### 7:30am Registration & Breakfast

### 8:30am Welcome and Introductions

**Program Hosts:** Ruth Easterling, Managing Director, Member Services, PFTC Network Moderator

Mariann Mihailidis, Managing Director, Family Office Exchange, PFTC Network Moderator

### 8:45am PFTC Evolution: How PFTC Families Are Taking Advantage of Advances

**Moderator:** Mariann Mihailidis, Managing Director, Family Office Exchange, PFTC Network Moderator

**Speakers:** John Duncan, Partner, Kozusko Harris Duncan; Rick Fogg, Founding Partner and CEO, Chronicle Family Offices, LLC

Three continuums have evolved to make the PFTC more effective in supporting the multi-generational aspirations of families. FOX's Mariann Mihailidis and industry pioneer John Duncan of Kozusko Harris Duncan will discuss:

- The broad continuum of services that PFTCs can and are providing today
- The equally broad range of support services available to PFTCs from commercial trust companies, investment advisers and other providers
- The support PFTCs can provide families for family governance and family sustainability as trustees and family services

### 9:30am The Private Family Trust Company and Lessons Learned

**Moderator:** Ruth Easterling, Managing Director, Member Services, PFTC Network Moderator

**Speakers:** Diane Malarik, COO, Moreland Management Company; James Ruddy, President and CEO, The Dillon Trust Company

A family leader brings to life the advantages and disadvantages of their family PFTC and will guide participants through a history and assessment of their experience. The session will answer the question, "In retrospect, what would you have done more, better or differently in the design, development and operation of your PFTC?" What were unexpected opportunities presented by a family's PFTC as trustee, family services provider or player in family governance, succession or education.

### 10:30am Break

### 11:00am Burdens and Solutions for Operating a PFTC Distant from Home

**Moderator:** Domingo Such, Partner, Perkins Coie LLP

**Speakers:** Paul Cameron, President, Gamble Partners; Kim Kusilek, CFO, HRK Group, Inc.

Operating a trust company in an away-from-home state to take advantage of a superior PFTC environment presents unique challenges. This session explores the burdens, and ways families have limited them, including:

- Implications of activities in locations for trust law and applicable laws, and which state's taxes apply to trusts and trust companies
- Part or full time personnel in charter states
- Bundling of fiduciary and other activities for charter state meetings use of affiliated and unaffiliated service providers

**12:00pm Lunch Session: A Conversation about Human Capital Development in the PFTC**

**Moderator:** Alexandre Monnier, President, Family Office Exchange

**Speakers:** James (Jay) E. Hughes, Jr., Esq., Wise Counsel Research; Hartley Goldstone, J.D., Wise Counsel Research

At our first Private Trust gathering in 1991, Jay Hughes identified the reasons for the emerging importance of Private Trust Companies. Jay's perspective centered on the role the private trust governance framework could play in providing support for the human capital needs of beneficiaries who benefit from inter-generational wealth. In this session, Jay Hughes and Alexandre Monnier come together to revisit this conversation on the role of the Private Trust in doing more than institutionalizing family governance and the trustee process, by helping families create governance committees and processes that maximize human capital development within the family enterprise.

The important role of the external board members will be discussed and their ability to help manage change and cultural dynamics in the family.

Jay is co-author of Keith Whitaker and Hartley Goldstone's new book, "*Family Trusts: A Guide for Beneficiaries, Trustees, Trust Protectors and Trust Creators*" will add gloss to the conversation.

**1:30pm Fiduciary Controls, Regulatory Compliance, Audits and Exams**

**Speaker:** Debra Nichols, President, Chronicle Family Offices; Rob Galloway, Partner, Baker Hostetler, LLP

Family offices and PFTCs alike recognize the need for greater focus on managing risks. This session will provide a quick reminder of the sweep of financial institution laws and review needed controls, including:

- Recognition and understanding of fiduciary duties
- Dual controls and separation of responsibilities
- Internal and external audits of adequacy of policies and procedures and their implementation
- Selecting and monitoring third-party providers and trustee delegates
- Confining activities to the proper locations
- Agreed Upon Procedures, SAE 16 and other compliance audits

**2:30pm Breakout Sessions 1-3 (Listed Below)**

**Panel of State Regulators—Regulation and Exam Focuses Now and On the Horizon**

**Speakers:** Greg Gonzales-Tennessee, Spencer Culp-New Hampshire, Albert Forkner-Wyoming; David Pendelton, Compliance Officer, South Dakota Trust Company LLC

Regulators from states with strong offerings for family trust companies will be on hand to un-shroud the mysteries of state trust company laws and requirements. Regulators will address:

- Current emphases of compliance exams and fiduciary audits
- Current assessments of the relative risks of PFTC
- Cyber security and data privacy, AML, BSA and financial crimes
- Vetting and controls over third-party providers to PFTCs
- State innovations to support private trust company operations with minimized burdens

BREAKOUT SESSION 1

**Identifying and Meeting Client Needs Within a Multi-Family Trust Company**

**Moderator:** Matthew Tobin, Managing Director, South Dakota Trust Company, LLC

**Speakers:** James Melvin, Managing Director, The Connable Office, Inc.; Jon Crow, Partner and Senior Client Advisor, Meristem

Some multi-family offices are converting to multi-family private trust companies to better serve their clients needing a trustee. This session addresses:

- Can multi-family private trust companies be more than just an alternative structure for families not wanting the responsibility of managing their own PFTC?
- Is there a role for multi-family private trust companies in supporting PFTC operations or filling holes in service offerings?

BREAKOUT SESSION 2

**U.S. PFTCs and Foreign Trusts, Foreign Assets, and Non-U.S. Resident Family Members**

**Speaker:** Andrew Stone, Partner, Kozusko Harris Duncan

PFTCs serving families that may be exposed to non-U.S. tax regimes should understand the opportunities and pitfalls presented by foreign trusts and family trust beneficiaries residing outside of the United States. Topics will include:

- Tax regime exposures and reporting foreign financial assets
- Utilizing foreign trusts and acting as a trustee
- Taking advantage of states with outstanding state trust laws and lack of state income taxes
- Cross border residency

BREAKOUT SESSION 3

**3:45pm Break**

**4:00pm Ask the Experts Q&A**

Attendees will have a final opportunity to engage with experts and speakers on questions that remain on their minds and to further examine issues raised during the program.

**4:30pm Symposium Closing Comments**

# Private Family Trust Company Pre-Symposium Workshop and Symposium Registration

February 9-10, 2016 | Shelborne Wyndham Grand | Miami Beach, FL



## Registration Questions

Please answer all questions below.

Do you currently have a Private Family Trust Company (PFTC)?

Yes  No

If you have a PFTC, is it Regulated or Unregulated?

Regulated  Unregulated  N/A

If you have a PFTC, when was it chartered and what state?

Which best describes your role?

PFTC Executive  FO Executive  
 CEO  Family Member  MFO Executive  
 Other Advisor  Regulator

What is your primary reason for attending the Symposium?

To be informed of the latest industry trends  
 To network with other PFTC Executives  
 I am in the early phases of considering or establishing a PFTC and want to learn more  
 Professional Development  
 To better serve my clients

What challenges are you facing concerning PFTCs?

Will you attend the dinner on Tuesday, February 9?

Yes  No

Which breakout session will you attend on Wednesday, February 10?

Panel of State Regulators—Regulation and Exam Focuses Now and On the Horizon  
 Identifying and Meeting Client Needs Within a Multi-Family Trust Company  
 U.S. PFTCs and Foreign Trusts, Foreign Assets, and Non-U.S. Resident Family Members

Accommodations

I will make a reservation at the Shelborne Wyndham Grand for the FOX PFTC Symposium.  
 I will make a reservation at the Royal Palm for the FOX PFTC Symposium.  
 I will not be staying at the Shelbourne Wyndham Grand or the Royal Palm  
 My plans are not finalized yet.

## Three ways to register:

1. Scan and email to: [events@familyoffice.com](mailto:events@familyoffice.com)

2. Fax this form to: 312.327.1212

3. Register online at: <https://www.familyoffice.com/learning-events/forums/2016-private-family-trust-company-workshop-and-symposium>

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How did you hear about this symposium? \_\_\_\_\_

Do you have any dietary or special needs? \_\_\_\_\_

Day Selection	FOX Member and Clients of Event Partners	Non-Member
<b>For Those Exploring Forming a PFTC</b> <input type="radio"/> Pre-Symposium Workshop Tuesday, February 9, 2016	<input type="checkbox"/> \$1,295	<input type="checkbox"/> \$1,550
<b>For Those Currently Operating a PFTC</b> <input type="radio"/> Symposium Wednesday, February 10, 2016	<input type="checkbox"/> \$1,295	<input type="checkbox"/> \$1,550
<b>Private Family Trust Company Symposium</b> <input type="radio"/> Full Symposium: February 9-10, 2016 <i>Attend both days at a discounted rate.</i>	<input type="checkbox"/> \$1,995	<input type="checkbox"/> \$2,495

Please call 312.327.1231 for multiple attendee discount. Space is limited; all attendees must submit a registration form to ensure a seat. **This symposium is eligible for up to 12 CPE credits, subject to state requirements.** [CPE](#)

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*Session topics and speakers are subject to change.*



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