

# The importance of choosing the right executor

The following story is true (but names and some nonessential facts have been altered for privacy purposes).

Mike, 61 years old, suffers from autism, a disability believed to be the result of a brain disorder. The severity of the disability varies, but in Mike's case he is dependent upon others for constant care and supervision.

Mike's parents provided all that he needed while they were alive and made plans for his care after they were gone. One of their goals was to make sure that Mike continued to live in familiar surroundings—the family home—after they were gone. By the year 2000 both of his parents had passed away. The family had lived frugally, and Mike's father had worked two jobs. As a result, they left behind a \$1.2 million estate, enough for Mike to continue to live out his days as his parents felt would best suit his needs.

## **A shocking development**

It's not clear from the available information how Smith came to be named as executor (sometimes referred to as a personal representative) of Mike's father's estate, but it was a disastrous choice. Smith allegedly embezzled the estate's assets and subsequently was arrested. According to court documents, by the time that a new executor was appointed, the estate had less than \$300 in assets. At this point, little is known about the chance of recovering anything from Smith.

In the meantime the bills for Mike's care mounted up. The family home had to be sold, probably for less than it would have brought under normal circumstances. With no roof over his head, Mike was forced to move into a home for disabled seniors.

There are a few bright spots in this story. Caring neighbors visit Mike regularly, and he seems to be adjusting well to his new environment. Legislation has been introduced in Mike's state to protect people with developmental disabilities from financial misconduct.

## **Another solution**

The big mistake here, of course, was naming the wrong executor. Choosing an executor only should be done after careful consideration. And it's more than choosing someone honest. Lack of experience and expertise can be costly as well.

The role of executor is to settle an estate expeditiously, efficiently and at the lowest possible cost. There are many responsibilities that an executor faces: arranging for the probate of the will; assembling and inventorying estate assets; protecting and managing the assets; notifying creditors and handling claims; filing tax returns and paying taxes. And, of course, after paying expenses and taxes, distributing the full amount due to the beneficiaries.

## **Our capabilities**

We bring all the desired skills and talent when we are chosen to settle your estate. Consider the following benefits of our professional services as a corporate executor:

- *Specialized knowledge.* For optimum results the complexity of modern estate settlement demands that your executor have specialized knowledge in such fields as investments, taxes, accounting, real estate and probate procedure. Your executor needs to pay close attention to record keeping, correspondence and other details.

- *Constant availability.* With so much to be done in a limited amount of time, your executor always should be accessible and unhampered by outside pressures. In less complicated times, people relied on close relatives or friends to settle their estates. The individuals whom you may consider candidates for the job may lack the time or inclination for such complex work.

- *Unquestioned financial responsibility.* Your executor should be financially secure. Our estate settlement services are backed by the strength of significant capital and resources. No surety bonds are required of us at the expense of your estate.

- *Impartiality.* It is our policy to treat all beneficiaries fairly. There is no worry that we will be influenced to favor one beneficiary over others. In addition, for our many years of experience in settling estates, we well appreciate the importance of sympathy, understanding and consideration when counseling beneficiaries during a particularly emotional time.

- *Economy.* Executor's fees are often the same whether a corporate or individual executor is employed. The real economy in the use of an experienced executor is the ability to avoid mistakes and delays and to recognize cost-saving options. A single mistake resulting from an executor's inexperience can cost an estate far more than might be saved in executor's fees. In fact, the unqualified executor often can be the more expensive, even if he or she accepts no fee for the service.

## **Talk to us**

Our experience as executor can offer you distinct advantages in planning for the security and well-being of your family. If you're concerned about the burden placed upon the executor in your present will, or if you are ready to select an executor, we would be glad to explain in more detail about the many advantages of putting our team of full-time professionals to work for your estate.

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Any developments occurring after January 15, 2007, are not reflected in this article.