



LEGACY LAW

Protecting the assets in your family tree

The Queen fires a Family Member - a dark story about a Prince leading what he thinks is a fairy-tale life



AP: Steve Parsons/Pool

A 60 year old son with the trappings of an entitled life, who never worked other than in an elevated role in the family business (and that role caused him stress that he says means he cannot sweat), gets involved with criminals who become his friends and then he is accused of criminal behaviour himself, causing huge embarrassment to the family - what could go wrong?

Is it unheard of or entirely predictable for at least one of four privileged children in a famous family to “go off the rails”? The same question can be put about the Maxwell family.

In our experience of working with such families for over 25 years, it is common for a child to “go off the rails”. It is not easy for any of the family and yet most observers will delight in the fall from grace.

Everyone knows the phrase “give a man a fish and you feed him for a day but teach a man to fish and you feed him for a lifetime”. We add to that with wealthy families, “teach a man not to just use a fish-knife but to fish”!

The truth is a version of this could happen to any successful family who does little to manage this risk. Sometimes, a child goes “rogue” and either the other children cannot work with them or they want to decouple their financial arrangements from the family. It can be a very wise move for some families to anticipate this happening and putting in place an agreed process to reduce the extra stress about how much their share is worth.

We know that successful families have unique challenges and we are empathetic. However, they are not Robinson Crusoe and much can be learned from other families. The Queen has cut Andrew loose and said he is on his own. It is sad when being a “private citizen” is a bad

LEGACY LAW PTY LIMITED

t 029188 3980 e dgriffin@legacylaw.com.au a Level 3, 5 Hunter Street Sydney NSW 2000 | GPO Box 568 Sydney NSW 2001 w www.legacylaw.com.au

ABN 58 600 167 959

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thing (only monarchs say that). It is more sad when a family's success turns sour. A family does not have to cost a fortune.

At least the Queen is alive and able, it seems, to take a lead here. If it was another sibling having to take matters in hand, their perceived lack of authority to make important decisions would usually end up in Court.

Our solution for successful families involves a combination of:

- Understanding the strengths, weaknesses, needs and concerns of all of the parties, remembering they did not ask to be born into this lifestyle;
- Spending time in advance to educate, set expectations and deepen relationships;
- Agreeing a "fair" path and set of rules and consequences and compensation for "an exit from the family"; and
- Allocating clear rules, roles, voting (less than unanimity) and a dispute resolution process if there are different interpretations of the rules.

These cannot be put in place at the last minute after a crisis has arisen as the parties will be locked into their respective positions by that point.

While Prince Andrew's behaviour seems extreme (although technically unproven at the time of writing) and hopefully will not happen in other families, a tailored version of the above solution which we call "Build a Great Family" can help the children be bought out of a family business or investment with the minimum of fuss and preserving family relationships and reputations.

The writer is finishing a book called "Be A Better Ancestor®" which shares his learnings in this area. Please register your interest at www.beabetterancestor.com if you would like to learn more through our occasional blog posts.

Stay well and prepare your heirs.

All the best,

Donal

Note: Legacy Law has not yet been retained by any of the parties mentioned. We will be limiting the numbers for our "Build A Great Family" program to families that we enjoy working with and so that we can properly advise them all.