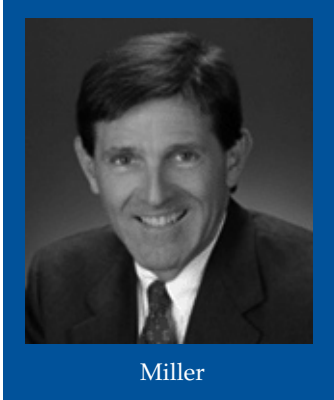


PROFILES IN WEALTH MANAGEMENT: A Q&A WITH SOME OF THE INDUSTRY'S LEADERS



Miller

Stan Miller
Senior Shareholder
Miller & Schrader
Little Rock, Arkansas

Stan Miller is the senior shareholder of Miller & Schrader, P.A., a national estate planning law firm based in Little Rock, Arkansas. He advises clients with respect to a wide range of issues relating to wills and trusts, estate planning, trust administration, corporate and partnership matters, charitable giving, private foundations, supporting organizations, life insurance and taxation. In addition, Stan counsels clients on matters relating to family-owned businesses, including exit and succession planning, governance and control, and the significance of these issues to family relationships.

Miller is also a founder and principal of WealthCounsel Advisors Forum, LLC, a national membership organization created for the purpose of improving the quality of interdisciplinary planning between attorneys, financial advisors, and CPAs.

SWMB: What is your overall estate planning philosophy?

Miller: Almost everything I know about estate planning that is truly impor-

tant has been taught me by my clients. And the most important core principle that clients have taught me is that all planning absolutely must be driven by the client's planning goals — and not by what I think is important. Certainly I should be the client's coach and trainer, and in that role call their attention to things they may not have considered. But ultimately, the plan that is implemented should be perfectly aligned with the objectives the client is passionate about. This is more difficult than it sounds. I'm convinced that a lot of the estate plans out there are more about what the estate planning attorney wants to accomplish than they are about the client. Clients are easily intimidated by us because of our status and knowledge of the tax law. How many times have we heard speakers at continuing education events say things like "My clients prefer this or that planning option?" I think that's nonsense. Clients will mirror the preferences of the estate planner.

SWMB: Over the years, what was your single greatest client challenge and how did you overcome the challenge?

Miller: That's easy. It is the ongoing struggle to get clear about the client's most deeply held objectives. I struggle constantly to make certain I'm not unconsciously influencing clients into adopting my view of their world. Closely related to this is the challenge of teaching clients how their plan works. I believe strongly that clients should be able to explain their estate plan to their children or their friends—if they wanted to—on the back of a napkin

The most important core principle that clients have taught me is that all planning absolutely must be driven by the client's planning goals.

and get it right. These are the difficult things. As a professional, actually figuring out and implementing the solutions is the easy part of what I do. I can't recall the last time we couldn't figure out a solution to a client's clearly articulated objectives. The hard part is getting clear on what those objectives are. In our firm, we implemented what we call the "George Bush Rule." The rule is that if the President calls when an attorney is in a client meeting, you put him through. No one else gets put through. Of course, George Bush never calls. A couple of years ago, a client called at the last minute and offered me a trip to the Arkansas-Tennessee football game on his corporate jet, but he had to have my answer immediately. Our staff knew this was a trip I'd want to take, but I was in an initial meeting with a new client, and they were clear on the rule about not interrupting a client meeting. So I missed that game. A client meeting is sacred space. If I approach it with focus and reverence in an unhurried way, I think I am usually able to get the clarity I need to design a plan that truly fits that client.

SWMB: What was your most unusual client request?

Miller: I had a client once who was very disheartened with his daughters'

lack of success in marriage. He thought their choices in husbands left a lot to be desired and, at the time we were doing his planning, they were both divorced. He asked me to help with this. So we created a private family foundation and made his daughters the directors. My client was convinced that with money to give away every year, the daughters would be invited to be on the boards of charities and would be invited to important social events. He was certain that this new social status would allow them to attract an entirely different kind of husband next time.

SWMB: What aspect of your profession gives you the most satisfaction?

Miller: Easy. The interaction with clients and their advisors. There are very few things in life that are more rewarding than seeing the light come on in a client's eyes when they see how all the pieces of the planning come together to accomplish their deepest objectives.

SWMB: What keeps you awake at night?

Miller: Nothing. I sleep well.

SWMB: If you yourself had access to

unlimited funds, what would you do with them?

Miller: I don't manage money, even my own money. I would call some financial advisors I trust and let them figure that out. Generally, I think it's a bad idea for lawyers (and doctors) to fly their own airplanes and manage their own investments. Both usually lead to bad outcomes. I'm good at some things, but this isn't one of them.

SWMB: What is the greatest trend you see in your profession over the coming years?

Miller: The decreasing importance of the estate tax as a planning motivator. Even if the Congress does what I expect they will do and freeze the estate tax credit at \$3.5 million in 2009, the estate tax will not be a relevant factor for most American families. We will all still have clients that will be impacted by the estate tax, but they will represent a far smaller slice than has been the case in the past. This is a bit scary to those of us who have made estate planning our career because the threat of the estate tax has been the client driver for much of the work we have done. This no longer concerns me.

Clients bring too many other concerns to the table that we have to address to fret over the estate tax. Planning for IRA distributions is one example. There is over \$25 trillion sitting in IRA and other tax qualified retirement accounts in the United States today—that's two times our gross national product. Most of that money has never been taxed and in many states these accounts are vulnerable to creditor attack. There are a myriad of creative planning opportunities that can, if properly executed, postpone the tax hit and protect the accounts from a beneficiary's creditors.

Another non-tax motivator is the need to design distribution patterns that protect spouses and assets from subsequent marriages and creating trusts to protect children from the adverse consequences of divorce or financial immaturity. The increasing demand for current asset protection is another motivator. There are many other examples of client planning motivations that have nothing to do with the estate tax. But our profession has been slow and generally uncreative in its response. If we listen to what clients are telling us, we will hear plenty of other concerns, and addressing those concerns will give us plenty of work to do. □