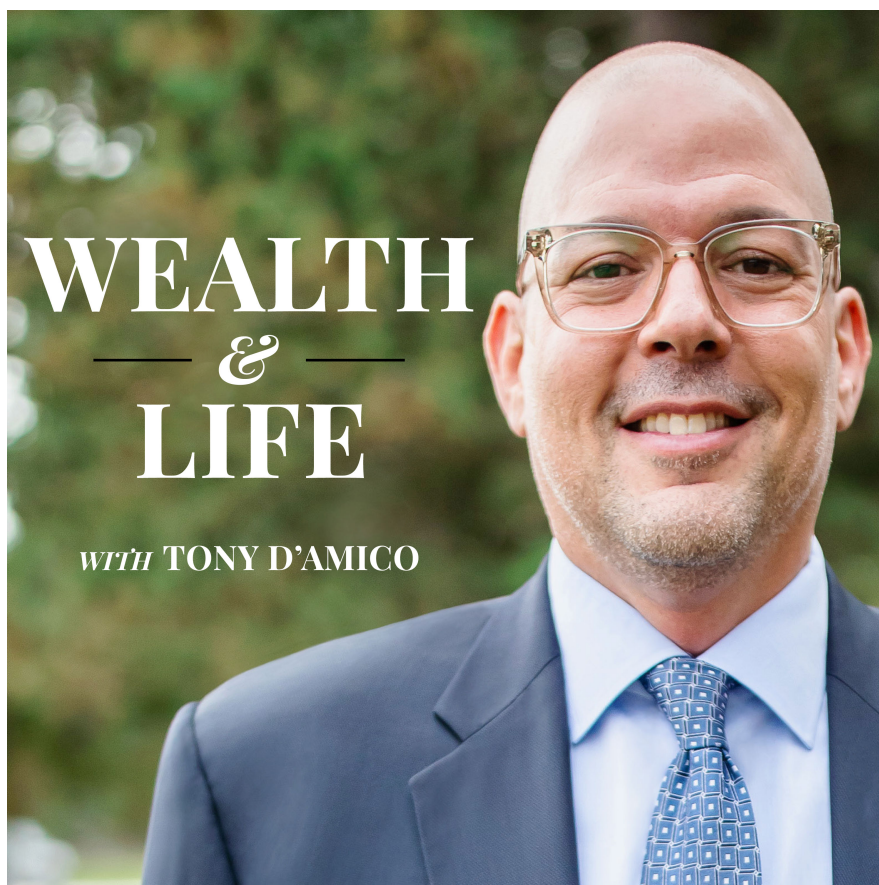


**Ep #02: Estate Planning with a Focus On Family  
Harmony with Cindy Steeb**



**Full Episode Transcript**

**With Your Host**

**Tony D'Amico**

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Welcome to *Wealth And Life*, where you'll learn with financial planner, consultant, speaker, and business owner, Tony D'Amico. You'll hear stories from successful business owners and individuals about how they navigated the inevitable challenges that arose as they achieved each new level of success, and you'll get insights and strategies from leading wealth planning professionals on how to achieve your next level of success. Now here's your host, Tony D'Amico.

Tony D'Amico: All right, well welcome to Wealth and Life, and today I have Cindy Steeb from CLS Consulting. So welcome and I'm really excited to have this conversation with you today. We're going to talk about several different topics that are really important for people to consider, for families and business owners to consider. So Cindy, tell us a little bit about what you do and a little bit about CLS Consulting.

Cindy Steeb: Great. Thanks. Thanks for having me here today. I'm really excited to talk about estate planning, which I know that's kind of funny that I say I'm excited to talk about estate planning, but that's a lot of what CLS Consulting does. CLS Consulting is a consulting business that I established about three years ago. I'm an estate planning lawyer, but really wanted to spend more time educating families, and consulting with families, and helping them think about how to pass businesses, wealth, whatever is their important legacy, and how do they pass that down to future generations in a very thoughtful way, but also thinking about some very technical ways they can do that with say, a family trust company for those that are ultra high-net-worth families. But education is important and

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

being able to spend time with families, helping them figure out what's their mission, what from kind of a family governance perspective, what will help them sleep better at night, and what would help their children in the future understand and have a support system around them that when they receive the wealth or the business shares, that they're prepared to do so and that there's been transparency and dialogue in the family.

Cindy Steeb: So those are some things that are really important to me, and one of the reasons that I launched CLS Consulting and spend time in that world.

Tony D'Amico: That's awesome, and we obviously love working with you with our clients that have done a great job saving and helping them be very intentional. What are kind of some of those common challenges that families maybe have that they maybe don't realize that having a thoughtful estate plan or a thoughtful perhaps mission statement or North Star? What are some of those challenges? What do they look like when they come to you?

Cindy Steeb: What they look like is, and I'm going to tell a personal story about what it looked like for me, and I think that will explain why I'm very big on education and talking to families about this. In my family, I was actually in sales and marketing. So I'm a second career lawyer. So I am someone who thoughtfully decided to be a lawyer, so don't hold that against me, but I did think about that carefully. But I went to law school knowing I wanted to do estate planning and help families not get stuck in the estate planning process and understand it, but it is because my parents passed away and I was in my mid 30s. My parents were very young, but they had done no

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

planning. So they hadn't done any planning. The documents that they had in place were from when I was probably two or three years old, and were not at all reflective or addressing the issues based on the wealth they had created, and real estate, and we were woefully unprepared, and my dad was in a sudden accident, and you do just never quite know when something unexpected will happen, and we were completely unprepared.

Cindy Steeb: So in addition to dealing with the grief of an unexpected loss, we were thrown into a morass of not understanding legal documents. I was in sales and marketing, so not understanding legal documents, and they didn't have all the proper documents in place. So it actually took us three years to close, what is called a probate estate from my dad.

Tony D'Amico: So it was subject to probate.

Cindy Steeb: Right, subject to probate and understanding the court rules, and we had a taxable estate issue, the estate tax was much lower so we were dealing with taxes in the probate court and attorneys, and dealing with grief and on top of that, two months after my dad passed away, my mom was diagnosed with terminal cancer. So I learned a lot about estate planning the hard way, and on the opposite side of the table of the client that was really trying to learn and understand.

Cindy Steeb: So decided to go to law school as a second career. Took lots of estate planning classes and really went into wanting to help families not go through what I went through and what my family went through. I do say to clients that estate planning ultimately is a gift you give to those you leave behind and you have them prepared to

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

manage wealth, you have them transparency that they understand what that may look like, and education therefore has become really important to me. A lot of times I've seen families that their estate plan is a surprise, or in my family instance, there was no estate planning, and it's just a lot to deal with when you're unprepared and things aren't in place.

Cindy Steeb: So when my dad passed away, it was three years, but when my mom passed away we had everything in a trust. We had no probate assets, and my sister and I were able to continue to move forward as co-trustees of a trust, and it just made the grieving process a whole lot easier and we understood everything that was legally happening and the transfer of the documents. So it was a gift that my mom was able to leave for us because she had a full-blown estate plan. So I try to bring that education and understanding to clients.

Tony D'Amico: That's great, because I don't think you can underestimate until you kind of go through it, but the amount of grief that you're experiencing, and then you have to figure out all of these other new areas that you probably, it doesn't sound like you knew of at that time. You had to figure out what's going to happen. Do we need to hire a lawyer? What's the process going to be? What's the cost going to be? How long is this going to take? And it took quite a bit of time. So you're dealing with loss and you're also dealing with getting an education at the same time. That's great that when your mom passed away that it went as you wanted.

Tony D'Amico: So what are kind of maybe some of the strategies that you want families to think about as they're kind of planning? And it's been great working with you over the

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

past couple of years because we share a lot of the same philosophies, but often what we find is people have done a great job saving, or successful families or business owners. They have certain things that are important to them, and a lot of times they'll come to us with those goals and it's kind of a process of, we call it discovery, kind of identifying what's important to them, and then bringing clarity. Then finally kind of the strategy, but I guess from your perspective, what are kind of some of the tools that someone would use that wants to be intentional?

Cindy Steeb: And I think your process is great, Tony. Again, I agree, and thank you for your kind words, but I think it's great to work with those that want to take the time and understand a family. What's important to them? I like to ask clients, what keeps you up at night? Those are the things that we want to talk about. I think also that families need to get comfortable and have the education around it as well. So giving them the opportunity in your discovery process to talk about, take a few minutes. Life is busy. We don't take enough time to really sit down and think about what's the legacy that I want to leave? What is important to me? So to guide a family through that conversation of these are what my values are, this is what's important to me, and that can help to start the legacy strategy and what that should look like. But I think the other piece that's really important is giving them the education around estate planning.

Cindy Steeb: That's the other thing that I think in addition to the reality that people don't want to think about what happens when they pass away. That's not always a pleasant conversation, and or something someone wants to spend

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

a lot of time thinking about. So I think if you reframe it as it's more about what legacy and gift do I want to leave with my family and how can I do a very intentional estate plan that helps share my values and what's important to me. If people haven't had the time and gone through your discovery process to really think about what are the values and what's important to me than it's the mechanics of the estate planning, and that cannot always lead to the best outcome. So spending the time to think about values, and what's important, and what do I want to pass on to my family. How do I want to support them and put structures in place, whether that be a trust or other documents? Which I'm sure we're going to talk about today, but what can I do to support my family when I'm no longer here, and how can I make sure that they are prepared or have advisors around them that can help guide them through things.

Cindy Steeb: I think that's what's great about taking the time to do a discovery process, and start with your values, and think about those, and then those can be documented in an estate planning strategy as you carefully think about what documents you want to create, what those look like, in particular provisions that, maybe something that's specific to your family but it's important to your family, and to document those from more of the technical estate planning area. But I do think that family members that have accumulated wealth, whether that's liquid assets or if that's businesses, they're really smart people and really understand their area of expertise, but sometimes the estate planning and the legal technicalities can be a little bit overwhelming.

Tony D'Amico: Sure, yeah.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family**

### **Harmony with Cindy Steeb**

Cindy Steeb: So I do think that taking the time to start with some basic education, then try to have them articulate how their values can be reflected in those documents are helpful. So you keep hearing the theme education, education, and I'm big on education.

Tony D'Amico: And it is so valuable, yeah.

Cindy Steeb: Yeah.

Tony D'Amico: And we've kind of talked off camera just about some of those common things that we run into. A lot of times the people that we work with, they know what their values are, but nobody has ever asked them to kind of think about that. They know what they are.

Cindy Steeb: Right. They know what they are.

Tony D'Amico: But they've just never gone through that process of having that question asked and mapping things out. So that's a very common starting point, and that's okay because they're busy with their lives, with their business, their careers, and the other common theme that we've kind of identified is that, especially for what we kind of call a first generation wealth creator. Whether their net worth is maybe two million or over a 100 million, they sometimes don't realize that yes, there will be wealth left over. That it's very likely that there's going to be wealth left over because they're a first generation wealth creator. So it's a new mindset, so that education is also, we love doing that too. It's just that education of hey, this is where you're at and you're likely to have something left over. So that kind of triggers okay, well, certain things are important to me while we're alive, and certain things are going to be important to us later. Everyone's goals are

***Wealth and Life with Tony D'Amico***



## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

different, but we hear a lot of the same themes that their family is important to them, they want to keep the family close together, their family is growing, so they have maybe a bunch of cousins, and how do they keep the family together. What are some things that they can do? Maybe traditions that they can create. Again, they don't really come in maybe knowing what question to ask, but that's kind of the common starting point.

Cindy Steeb: I did want to share a story about your comment about the wealth creators. It always amazes me that the number of wealth creators who are so busy with creating the wealth, or jobs, or businesses, and they don't think of themselves as someone who has created wealth that could be around, to your point exactly, past their lives. That they've invest well, or the business continues to grow. So in addition to working with someone like yourself that can help them take a look at projections of do some modeling to see what may be left, and do some projections.

Cindy Steeb: I encourage clients, I have one client that didn't think they had any need for estate planning, and I'm sitting in their company business and seeing what's going on around me, and was asking, "Have you done valuations of the business?" And thankfully they had, which is a good thing. They had done some valuations and we started to talk about how much the company had been growing. I said, "Have you even projected out five years if you continue on that trajectory, where you might be?" And they had never done that, and actually when they went through that simple exercise of just taking that wealth and projecting it out for five years, let alone 10 years, and this is someone who certainly believed that they would be around more than 10 years, that they were stunned. They were

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

stunned and suddenly realized, we do need to start to create an estate plan and start to think about what to do with wealth that will be available for my children and my grandchildren. I always do laugh and say, when people start to have grandchildren, they suddenly do real.

Tony D'Amico: Sure. It changes perspective.

Cindy Steeb: Suddenly it changes. Yeah, it changes perspective suddenly that the grandchildren are here and how could we help our grandchildren? What can we do differently or how can we help our grandkids? But it's taking that minute just to step back and realize that there is a likelihood that there will be something to pass on to your kids, and your grandkids, and your great grandkids.

Tony D'Amico: Yeah, and I love that educational approach that you take with your clients and with the clients that we work on together because it's a multilayered approach. You're educating them in a way to help them understand where they're at, but then once they realize where they're at, they're like, "Oh, I have all these other considerations to think about." And there's a lot to think about with kind of coming up with an estate plan. I would say it's a time consuming lengthy process. It definitely, even when we did, we revisited our estate plan, my wife and I. It was about three years ago but we went really through an intensive process doing a lot of the same things that you talked about. You're thinking about what happens if you pass away, if your spouse passes away, and some of the aspects aren't fun, to be honest.

Cindy Steeb: Right, they're not fun to think about.

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: Yeah, they're not, but that sense of relief that you have when it's done is incredible. So I guess, what are some of the documents that someone will need? Maybe, if it's okay with you, maybe let's start with the documents that everyone needs.

Cindy Steeb: Okay.

Tony D'Amico: Maybe regardless of level of assets, and then we can kind of maybe talk about some other things that many people do need.

Cindy Steeb: Okay. There are actually five documents, so when I'm going through an education with the client that I talk about that they at least need to be aware of and understand. There are documents that are effective during your lifetime that are an important part of an estate plan, and then there are documents that are effective when you pass away. So let's talk about those that are effective during your lifetime that everybody should be thinking about having, and that is a durable power of attorney, and I'll explain what each one of them are after I go through them all. The durable power of attorney, there is the healthcare power of attorney, and then there's the living will.

Cindy Steeb: So the durable power of attorney is a document where you designate individuals or perhaps two people, or you can also have a priority order of who you'd like, to be able to handle financial decisions if you're unable to do so. So let's say you're in a car accident. You are going to survive but somebody needs to pay your bills or have access to your bank account to make sure that your mortgage is paid, your utilities are paid, all of those things are kept on. That the person that you name in your durable power of

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

attorney basically, I call it, steps into your shoes. So they step into the shoes and they are you to be able to have access to your financial information for a period of time. So that's a document that everybody may find a situation where they need to do that. Even if you're married, you and your spouse likely travel in a car frequently together. So if you're in an accident together and neither one of you have access, then perhaps you need to make sure that you have an alternative beyond the spouse to be able to make sure that things are continued to be paid and that your bills are kept current.

Cindy Steeb: So that would be one document that I would say everybody needs or should think about making sure they have. It's also a document I encourage people to be cautious with because you are stepping into someone, and you're allowing someone to step in your shoes-

Tony D'Amico: There's a lot of power, right?

Cindy Steeb: There's a lot of power with that.

Tony D'Amico: A lot of power that someone has.

Cindy Steeb: Yeah, there's a lot of power. So it's someone you want to think about carefully, but it is a document that you would want to have in place, and that's effective during your lifetime. When you pass away a lot of people think that they can still act under a durable power of attorney and that is not correct. So I commonly hear people thinking that they can present a durable power of attorney after someone passes away, and they cannot. That document is actually void at the time someone passes away. So it's a document that is really necessary during your lifetime to

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

make sure you can designate who has access to that information.

Tony D'Amico: Gotcha. So Cindy, do you have a story where maybe either someone had a financial durable power of attorney in place or didn't have one, and maybe what the consequences were?

Cindy Steeb: Yeah. So I frequently see this and talk to clients about this quite a bit, that a natural reaction if a family member needs assistance in writing checks, or things like that, paying bills, is that they go to the bank, and I see this particularly with older clients, and they want to have one of their children help them. Well, when they go to the bank, the bank's easy solution is well let's just add you to the bank account so that you can have check writing authority. Well, it is a simple answer, but unfortunately in some situations that can have unintended consequences. The unintended consequences are that if someone has been added to your bank account and it's a joint bank account, whatever dollars are in that account at your death, automatically by contract, if it's a joint account, go to that individual.

Cindy Steeb: So in my example, you may have a situation where you really wanted money in that account to be split say three ways, you have three children. You would really prefer, your intentions were, and your estate planning documents say that it goes between three people, but you unintentionally gave 100% of that to one sibling. There are circumstances where that can create family disharmony, and a lot of what I do in the education process and thinking through things is to try to think through let's do a thoughtful estate plan to keep the family

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

harmonized and together because when you're dealing with grief, not necessarily your best person comes out of you, and I can say that personally.

Tony D'Amico: Everyone handles grief differently, right?

Cindy Steeb: Yeah.

Tony D'Amico: There's different types of emotional responses, and like you said, you're not in the best spot to really look at things objectively or from a financial perspective.

Cindy Steeb: So that's when a durable power of attorney could be very helpful because you keep the bank account in an individual name and make sure it passes equally to your children, which is your intention, and you can give a child the durable power of attorney and they can sign checks as the agent under the durable power of attorney. So they still have the same access and they're able to use that durable power of attorney, and you don't have the unintended consequences of they end up with additional dollars.

Cindy Steeb: Now, sometimes that is the intention, so obviously a joint account can work if that's your intention, but that's things to keep in mind where a durable power of attorney could be very helpful. I also tell clients when they're thinking about who should I name for durable power of attorney, and this is part of the education and thoughtful process, don't automatically go to the eldest child. So the eldest child may be the best person, but the eldest child may not be the best person, and that's where education, and transparency, and thinking it through, to think through who is in your family, or in my instance I am not married, I don't have children, so I sometimes look outside of my

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

family, and who is the best person to deal with those financial questions.

Tony D'Amico: What are some of the criteria or maybe way that you would describe an ideal financial, someone that could be that financial power of attorney?

Cindy Steeb: Be the agent?

Tony D'Amico: Yeah.

Cindy Steeb: So someone that has at least some financial understanding and can manage paying bills, and are organized, and can work with, and it could be a circumstance that they need to be working with advisors like yourself, and making decisions about portfolios and those kind of things. You want someone, and they don't have to be nearby anymore. I get that question a lot. A lot of people are like, "Do they need to be in town and need to be someone that can physically walk into the bank?" That could make life easier, but it's certainly not necessary anymore.

Tony D'Amico: Not the most important factor.

Cindy Steeb: Right, it's not the most important factor to think about. So you can always fax and send copies of a durable power of attorney and people can conduct business remotely. But that's what I would think about. I would think about someone who has some financial acumen and is able that you also need to have some you really implicitly trust, because back to the it's a very important document because they basically step into your shoes and they have access to all of your financial information. So

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

somebody you really trust and someone that has a little bit of that financial acumen.

Tony D'Amico: Yeah, they could basically make decisions for you, right? They step into your shoes, so it's a very powerful document. I think the other thing that comes to mind too is somebody that can handle pressure, right? Because once this document is needed, there is going to be some sort of event that happens, right?

Cindy Steeb: Right.

Tony D'Amico: So they need to be able to handle kind of a difficult situation, keep their cool. So one of the things that we've talked about again, off camera, but I think it's another important consideration. So let's talk about how, so you do your durable power of attorney, you name your agents, perhaps there is a primary agent, but let's just say it's a spouse. But let's say that there's contingent agents named, and let's say it's maybe other family members, children. So is it a good idea to give a copy of that financial durable power of attorney to everyone or should you perhaps give it some people, and maybe hold it, kind of I guess you can say an escrow somewhere? What's your thoughts on some of those decisions?

Cindy Steeb: I actually suggest to clients, and this will be different, and we'll segue right into the healthcare power of attorney next. That's a great way to turn into that as the next topic, but the durable power of attorney, I indicate or I tell clients don't spread it far and wide. You want to keep that document somewhere safe and somewhere where the people who are name, I think it is helpful to let people know that if something happens to me, I do need you to step to my shoes and handle my financial matters, and let

***Wealth and Life with Tony D'Amico***



## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

them know where they can get the document. So whether that's a secret place, a safe in your home. A lot of people actually do get safes in your home, and where someone, you can let them know where to go to find the combination. So my durable power of attorney happens to be someone who is not a family member, but he knows exactly where to go to get the combination to go in the safe to be able to get that document should he need it. So he knows where to get that document.

Cindy Steeb: Now, I give completely separate advice for a healthcare power of attorney. So let's talk about that for a minute.

Tony D'Amico: Sure, yeah.

Cindy Steeb: So the healthcare power of attorney is a power of attorney, as the name would state, but as you can imagine, it has the word health in front of it. It's you're naming someone who can be an agent to make your healthcare decisions if you were unable to do so. So let's go back to the car accident. So you've been in a car accident and let's say you're married and your spouse has as well. Both of you are unable to talk to the physician and make decisions about the course of treatment or what needs to be done. Do you need to be transported to a different hospital? How does the situation need to be managed? Your healthcare power of attorney allows you to name, and you have to name in the healthcare power of attorney you name people in priority order. The reason you have to do it in priority order and not jointly is that the doctor needs to have the one person to take the direction from, not a committee.

Cindy Steeb: So that is a document where you do need to think about the first priority, which is typically a spouse if you're

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

married, and a second and a third alternative. They are people that will make your healthcare decisions and have access to your health, your records. There is a HIPAA authorization in the standard healthcare power of attorney right now here in Ohio that they have access to all your medical records so that they can make an informed decision on your behalf, since you cannot do so.

Cindy Steeb: So with the healthcare power of attorney I have exactly the opposite direction that I do with the durable power of attorney of sharing it. I encourage people to make copies of that, a copy is valid as an original. Make a copy of your healthcare power of attorney, give it to your agents. So that, it's going to be an emergency situation in all likelihood if you need to utilize your healthcare power of attorney, so you want those individuals to have it already. So if you have a hospital that you frequent, or that you have treatment or is nearby, and you want to make sure they have it, it's not a bad idea to make sure the hospital has it, your primary care physician has it. So if you go in for surgery, hospitals a lot of time ask, "Do you have a healthcare power of attorney?" They also ask about a living will, and we'll talk about that in a moment in how that differs. But it's a good idea to share that document. Let them know, help them understand what your wishes are, and make sure that they have that. That if they need to get to the hospital to be your spokesperson or make decisions on your behalf, they have the document. They don't have to go to the house, find the combination, go to the safe. So it's a little different.

Cindy Steeb: Power of attorney financial issues are usually not an emergency, but you want them to know where to get the document, but healthcare is different. So I do say spread

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

that far and wide, and I also ask people to think about, when you're thinking about who to name in priority order, think about the same dealing with pressure, but a different kind of pressure. So this is medical pressure. Maybe you have someone on your family who understands medicine or has some type of background in healthcare. They would be a great choice. So it's thinking through who can make what could potentially, not to be extreme, but could be life or death situations but can make those decisions and gather information in a manner and deal with that stress and pressure, and give guidance to the doctor in what to do. So the healthcare power of attorney is a little different than the durable power of attorney because it's for healthcare, but some of the same thinking through who makes sense to name as agents. Some of the same thought processes apply, and I always default to naming children in age order is not always the best way to do it.

Tony D'Amico: Right.

Cindy Steeb: That I think there is-

Tony D'Amico: Don't default to that.

Cindy Steeb: Yeah.

Tony D'Amico: Think a little bit more.

Cindy Steeb: Yeah. There's a natural tendency to go to that's, I'll do my children in age order, and that's when I start to ask clients about do they deal well under pressure, or would they have any medical background? Can they do that?

Tony D'Amico: Sure.

Cindy Steeb: And think about it first.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: Mm-hmm (affirmative). So Cindy, if somebody is married, do they need a healthcare power of attorney or could the spouse just go in and make decisions, healthcare decisions for their spouse because they're just married?

Cindy Steeb: Because they're married your spouse is going to be who the doctor will talk to, and there is in Ohio there's ... I always say, if you're not making decisions for yourself, the state will make some decisions for you, and there is a priority order of who to talk to, but you can't rely on that. I go back to my car accident. You're in a car accident together, and your spouse can't make the decision. Now which of your children is appropriate or is even a child appropriate? Maybe you had a sibling, or a spouse's sibling that has medical background that would be a better person to do that. So I always encourage people not to rely on the defaults of the law, but to make thoughtful decisions and be able to make that decision and make sure that your wishes are what's happening, and that someone that you would want to make those decisions for you or are doing so.

Tony D'Amico: Right, and regardless of the state they're going to have their plan for you if you don't have your own, right?

Cindy Steeb: Right.

Tony D'Amico: And there are some similarities between states, because there's also some differences. So it really comes down to taking the time to understand what you want, but we need those backstops, right? We need, unfortunately we need the probate process because people sometimes don't identify who they want to-

Cindy Steeb: My parents.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: Yeah, well that was obviously unintentional, right?

Cindy Steeb: My parents are a great example, yeah.

Tony D'Amico: Unintentional.

Cindy Steeb: Right, it was unintentional.

Tony D'Amico: We have to have that judicial orderly process to identify what people own, marshal their assets. People can make claims to those pieces of property. So I guess with that, let's segue. You mentioned too you wanted to talk about the living will.

Cindy Steeb: Living will. Yeah.

Tony D'Amico: Let's do that and then.

Cindy Steeb: Yeah.

Tony D'Amico: Let's kind of talk about what a will is and how that's different than a living will.

Cindy Steeb: Yeah, and that's a great distinction. A living will is a document that is effective during your lifetime, and the will, which we'll talk about in a second, is actually the document that becomes effective upon your passing. So the living will. The living will is different than the healthcare power of attorney, and the living will is a declaration where you are saying I am of sound mind and I've really thought this through. What do I want to happen if I am not expected to survive? So you are in Ohio it's statutorily defined that you are permanently unconscious or you are terminally ill. So again, you're not expected to survive, so the living will allows you to think about do I want heroic measures or not heroic measures? That's

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

sometimes the best way to think about it. So people confuse it and say it's a DNR. It's not a DNR. So a doctor writes a-

Tony D'Amico: Meaning do not resuscitate.

Cindy Steeb: Do not resuscitate. Yeah. Keep me straight in my acronyms.

Tony D'Amico: No, I need your help too.

Cindy Steeb: But a do not resuscitate order is written by a doctor. Now, they could write that relying on the living will. So a living will is when you are in a situation where two doctors have determined that you're not going to recover, and it's your declaration that you don't want heroic measures. So you don't want resuscitated, or intubated, or shock treatments if you are not expected to survive. Then the doctor would actually write a do not resuscitate order. But it's also an opportunity for you to document or declare if I don't want a feeding tube. I don't want to be kept alive just on a feeding tube.

Cindy Steeb: So it takes some pressure off your healthcare power of attorney. They don't need to make the decision of do I remove feeding tubes or not. Do I not have heroic measures done? That you actually have the family member of the individual saying in a declaration in the living will, "Now my wishes are. If I'm not expected to survive, I don't want, I don't want heroic measures." It's a document that if you don't have it, there are some really big cases that are down in, particularly one in Florida. It's an older case, the Schiavo case where the parents thought the wishes were one and wanted a child kept alive in a feeding tube, and the husband was trying to say

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

no. We had verbal conversations about that and she said she never wanted to be kept alive just on a feeding tube, and they ended up in court arguing that out because there wasn't a legal document or a living will signed that said, "No, these are my wishes." So that's an extreme case, but certainly something that could happen, and the living will would've provided the direction that no, I declare now when I'm of sound mind and I'm fine that I don't want heroic measures.

Cindy Steeb: It's also a document that you can revoke at any time in any manner, which means if you are in the hospital and you decide that you do want heroic measures, you can communicate that, and it only can be, need to be communicated verbally and the doctors will honor those wishes, but it does at least give your family or your healthcare power of attorney agents the guidance that they know what your wishes are and you had an opportunity to think about it.

Tony D'Amico: Sure. At what point does it become the healthcare power of attorney that you name, that agent, at what point does it become their responsibility to make the decision if life sustaining treatment, or those heroic measures as you mentioned? Is it if they just don't complete a living will or if they select, hey, I don't want historic, if I don't want-

Cindy Steeb: Heroic measures.

Tony D'Amico: Heroic measures, right?

Cindy Steeb: Yeah.

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: Does that still give the healthcare agent the ability to implement them if they feel that is what they maybe should happen based upon the specific?

Cindy Steeb: Yeah.

Tony D'Amico: Because I think there's a lot of, there's some gray area.

Cindy Steeb: Mm-hmm (affirmative), I agree, yeah.

Tony D'Amico: So this is a very tough decision and a very personal decision, because there is some gray area with medical circumstances that arise, right? Could maybe if you try this, could they maybe survive and be healthy versus other situations? So it's not black and white.

Cindy Steeb: I don't think there's anything in the healthcare arena that's really black and white and much as we'd like to think it is. Where the living will is helpful is that there is no question if they do not think you can survive. I think in many ways that can be guidance for the healthcare power of attorney as well. I encourage my clients to have conversations. So I had some significant surgery about four years ago and I sat down with my healthcare power of attorney agent and went over the living will, and talked about here are my wishes, and I was very clear. In fact, she was a little stunned. It's someone who's outside my family, who was a little stunned that I was having such a blunt conversation. Because I work in this arena that was easy for me to do, but I'm very well aware that that's not an easy conversation for a lot of people. So the living will can be the written document that indicates that that would be their wishes.



## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: So if somebody does not do a living will, does that power then just rests with their healthcare agent?

Cindy Steeb: Yes, yes. So the healthcare agent has the power and needs to make that decision based on what they believe the wishes would've been, and that's kind of what I'm referring to, is that the healthcare power of attorney doesn't have to try to guess what the wishes there. If the living will exists, they know what the wishes are.

Tony D'Amico: Exactly.

Cindy Steeb: And I did take it a step further and over lunch went over all of my documents, my durable power of attorney, my healthcare power of attorney, and living will, and we talked about it prior to my surgery.

Tony D'Amico: That's great.

Cindy Steeb: But again, I understand not everybody wants to have that conversation and it isn't as comfortable as it is for me working in this space to do, but I think the living will, if those are honestly your wishes, you take the pressure off. But the living will is a document that I have some clients that decide they want to do and I have some clients that decide they don't want to do that. That they are comfortable for some of what you've mentioned about the gray area of what if for doing the research, or maybe there is a hospital that it isn't as clear that there is an opportunity for survival. Maybe one hospital isn't working in that space. I did have a client that, you can put comments in living wills. One of the comments they put, they were in a remote area and they wanted the living will only to be honored once they had been moved to a

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

teaching hospital, so where they felt that there would be better resources of understanding.

Tony D'Amico: Makes sense.

Cindy Steeb: Right. Am I truly by two physicians, if I look at a larger scope of medical options, is it still the same choice and decision. So we put that in the notes section, that the living will was to be honored once they had been moved from the remote area that they lived in.

Tony D'Amico: Sure, and talk about providing clarity and just taking the pressure off of their family members or trusted ones that are taking care of the situation.

Cindy Steeb: And having to make decisions in obviously a very stressful situation.

Tony D'Amico: Right, because there's a lot of other things that would have to happen in that situation, right?

Cindy Steeb: Yes. So yeah. But those are the three documents. The durable power of attorney, the healthcare power of attorney, and living will, that all of those are documents that everybody should think about that are effective during your lifetime. Now we can segue to once you pass away. So none of those documents have any power to do anything anymore. So you've passed away and what becomes effective now is a will.

Tony D'Amico: Awesome. So we were talking about the documents that are effective during your lifetime. So let's talk about the documents that are effective once somebody passes away.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Cindy Steeb: All right, so the first document, and everyone also should have this document, and that is a will. So the will is actually the document that you file in probate court and you name your executor, and if you have minor children it's also where you name the guardian of your children. So those are two very important roles and functions of the will. You may or may not just have a will and not have a trust, but we'll talk a little bit more in detail about the trust, because you can just use a will to dispose of your assets, which basically talks about who gets what, but the one thing about a will to always keep in mind is if you only have a will, whoever you would like to receive your property, they get it either right away or when they turn 18. Sometimes 18 years old to receive property may not be a good thing.

Tony D'Amico: Sure.

Cindy Steeb: And that's when a trust comes into place. So we'll talk a little bit more about that in a second, but I want to back up and talk about the roles of the guardian and the executor, and how you think about who would be good people to do that. So when you think about your executor, you think about someone, their job really is to what lawyers call marshaling your assets. Marshaling your assets is just basically making sure that they find all your assets and they make sure they end up in the right place, whether that's over in the trust, or whether that is directly to individuals that should receive that property. They are also responsible for filing your last income tax return, and if it's a taxable estate, how much you can pass to someone without paying an estate tax here in Ohio. Right now in Ohio, as far as the state tax return, there is no Ohio estate tax, so it's a federal estate tax and it applies

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

to everybody. Right now the federal estate tax number is over 11 million. So everyone can pass \$11 million of assets or property on to someone without paying a federal estate tax, but I always caution people that that will automatically change in 2026, but it's also always subject to changes that congress makes in that number.

Tony D'Amico: Ahead of that, right.

Cindy Steeb: Yeah, it doesn't have to necessarily, it could go down and be a smaller number before 2026.

Tony D'Amico: So right now, and like what you're talking about in 2026, a state tax exemption is going to sunset, right?

Cindy Steeb: Right.

Tony D'Amico: Because the current law that was put in place was not passed by a supermajority, right? So it was not a permanent change-

Cindy Steeb: Permanent. Right.

Tony D'Amico: To the tax code. So we know that one of the challenges of doing what we do for our clients is that it's always a moving target, and it's something that could change in one way or another and it could change substantially, right? So we have to stay on our toes.

Cindy Steeb: And that's congress decision, yes.

Tony D'Amico: Right.

Cindy Steeb: And keep an eye on those things. But that is something that the executor would have to manage and deal with. And your guarding, so your guardian of your children is

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

who you would like to raise your children, your minor children until they're 18 years old. So those are two key figures that you would name in your will. Then again, if you would like your individuals, or if you have children who are older and you are comfortable that they can manage assets, and you've considered how much each person is going to get, you still may just have a will and you can decide they can get things outright immediately.

Tony D'Amico: Sure.

Cindy Steeb: I do always say to clients, think about you may want to have a trust if you want the assets maybe not distributed at 18. So one of the huge advantages of doing a trust is you can set ages that the children get the assets outright.

Tony D'Amico: Sure. So with the will, I get this question a lot. Some people think that if they have a will, their assets are not subject to probate, but wills are subject to probate.

Cindy Steeb: Yeah, wills are subject to probate and everything would have to be accounted for in probate court, and just because you have a will does not mean probate court is not involved, and in fact you typically have to file the will in probate court at the very minimum to have your executor appointed and get your appointment papers. So probate has much more to do with how our asset is titled and how are they passing. So that takes us a little bit beyond the actual estate planning documents themselves, but a great time to digress and talk about think about how your assets are titles, and working with, I know your team does a lot of that follow-up, even after you think about the estate plan and put the strategy in place, and that's to think about what's the title on the assets. Because you can have the greatest estate plan

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

and really a thoughtful estate plan, but if your assets are titled that they don't pass through your estate plan or they don't ever flow through the estate plan, you've had a great plan that is completely circumvented.

Tony D'Amico: Sure.

Cindy Steeb: What I mean by that is a house. So typically houses are spouses will do joints with rights of survivorship. So if they pass away and the husband passes away, it automatically goes to the spouse. That doesn't go through probate, that doesn't touch any estate planning document. That passes by contract of law.

Tony D'Amico: Directly.

Cindy Steeb: Directly. So another example that may be even clear to understand is your insurance proceeds. If you name a beneficiary on your life insurance, then that's how that policy will pass at death, because it passes by a contract that you've established with the insurance company. So let's say that you did your insurance policy when you were early in your marriage and you filled out your beneficiary designation and you only named two children, and you had a third child, but you had filled out the beneficiary designation with the names of your two children. Well, you have unintentionally disinherited your third child from your estate planning document, even if your will or your trust says all three children share equally in all of my assets.

Cindy Steeb: So those are things that you need to be very careful of, and because they're not probate, they don't go through the will, because they pass by contract.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: Yeah. So titling, right? Super important, and how beneficiaries are named, right?

Cindy Steeb: Yes.

Tony D'Amico: If you do have a trust, which I know we'll talk about here in a minute, but it may circumvent that trust by the nature of how it's titled, and titled meaning how is the home owned, how is an account owned, who is the ownership, right? I think one other final I guess thought that I have on a will is there is the executor of the will and they have some financial powers, right? And responsibilities. So sometimes people think, "Oh, I don't need a will." Well, you might not rely upon it a lot, but everyone does, I think really, like you said, need a will because there are people named that have certain financial responsibilities, and it's kind of like a backstop, right? Just in case there's maybe an asset that, it may be a newer asset that came later in life and they forgot to think about how it was titled or if maybe there weren't any beneficiaries, and there could possibly maybe be a little bit that goes through probate. Obviously for some people, most not all, but they want to obviously try to avoid probate through titling beneficiaries.

Cindy Steeb: Right, right. And probate is a process. So maybe I'll take just a second and talk about what probate is, because again, as I shared earlier in our conversation, my family with my dad, we went through three years of probate. Why it took so long is my parents had been acquiring assets and not thinking about the titling, and there were a number of things that were titled in my dad's individual name. One of them actually was real estate that was never intended to be in his individual name, it was purchased later in life, and they just signed the

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

documents and it wasn't a joint asset. So it was an asset that didn't have a beneficiary designated, wasn't joint with my mom, and so it ended up having to be an asset that went through probate.

Cindy Steeb: So probate is the process that involves the probate court where you have to do an accounting of all of the assets that are probate assets. So assets that pass by contract that we've already talked about here would not have to be listed on the accounting. But for those assets where you've not named a beneficiary, or titled in a trust, or have a transfer on death deed, a payable on death certificate, a beneficiary designation. All of those are words and language that indicate that it's going to pass by contract when you pass away, and that passes by the contract, it's exactly what it says.

Cindy Steeb: So for example with my dad, the one real property we actually had to account for it with the probate court. We also had, my parents had thought it'd be a great idea to put all the vehicles, and they had a number of them, and anything that was titled they would put in my dad's name because he had retired and he could be the one to go to the BMV and deal with all the.

Tony D'Amico: So he went to the bank, he went to the BMV to deal with those types of-

Cindy Steeb: Yeah, he went to those things just because my mom was still working. So we ended up, although those assets though had to be accounted in probate court. We had to listen them in accounting, and do regular updates with the probate court, and have hearings to disclose the value of the assets, and then we also had to disclose how we ended up distributing those assets and what we did with

***Wealth and Life with Tony D'Amico***



## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

those assets. So it's basically probate is the court overseeing the disposition of the property that does not pass by a non probate vehicle such a trust or by contract. So it just lengthened the process, it did end up, we needed to hire an attorney. It was more than, I was not an attorney at the time, we needed the guidance of how do you walk through that process, and it's public record. That's the other really big thing about probate. Probate is a public process where anyone can go to probate court and ask to see the probate file for any person who has passed away and that's public record.

Tony D'Amico: People can make claims. They can say, "Well, I own that." Or if people have creditors, creditors can make claims and all those things.

Cindy Steeb: Right, to all of that. So probate is, a lot of people do want to avoid probate for those reasons. So that's why doing the looking at the titling an either passing by contract or establishing a trust, which is also a way that it's a non probate asset, is an option, and a lot of people like to avail themselves of that.

Tony D'Amico: Sure.

Cindy Steeb: To be able not to have to go through the full-blown court process from an accounting perspective.

Tony D'Amico: For sure. Without question. So let's talk a little bit about trusts.

Cindy Steeb: Okay.

Tony D'Amico: I think there's a lot of misconceptions about trust, and there's a lot of I think education needed. So I'm glad that

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

we're doing this today, but trusts aren't just to avoid a state tax, right? There's many reasons for a trust. I always tell people sometimes the best way to say I love you is not to leave instructions behind with your assets, right? It may be similar to the process that you went through, although that wasn't their intention, right? But it can be very stressful for someone to inherit things, or accounts, or assets, or property, and really not have much instruction, and there's a whole host of considerations too. So let's talk about why someone might consider a trust and maybe some of those decisions that you make in that trust.

Cindy Steeb: So another common misconception is that if you put something in a trust and it's not distributed to beneficiaries until they're older, that they don't have access to the trust, and that is not, that's a misconception. So an example I like to use for that is there's a trustee who oversees the assets of the trust and works with the beneficiaries to make distributions to them that are appropriate. So let's say you have passed away and you have a child that is 19. So if you were distributing the assets just through the will, they would have received those assets outright, but if you have the assets in a trust you can delay when they get those assets.

Cindy Steeb: So let's say that you're delaying the outright distributions until they're 26. There are a number of studies out there that I've read over time that the 26 is the new 18. So 26 is a number that you're seeing show up, but let's say the child is 19. The child wants a car. Well, the child probably needs a car to get to a job, to school, whatever they're doing. If the child got money outright, they maybe say, "I'm going to buy myself a Corvette, a Lamborghini, or

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

some fun sports car." And spend a lot more of their inheritance than if you waited till they're 26 to get distributions. So when they're 19 the trustee is still making distributions for them, and the trustee may say, "Yes, you need a car, I agree, but I'm going to buy you a Camry, or I'm going to buy you a Subaru, or I'm going to look for something that's all about safety, not about speed."

Tony D'Amico: Sure. Maybe not the Corvette.

Cindy Steeb: Not about how fast it's going to go. Yeah.

Tony D'Amico: Yeah.

Cindy Steeb: How fast you can go.

Tony D'Amico: So when I hear you saying it's not about not giving the assets or controlling so tightly, but it's about putting them in the right position, and that's obviously contingent upon I guess the types of assets, the level of wealth, the nuances of the family members, right?

Cindy Steeb: Right.

Tony D'Amico: So there's a lot to consider there.

Cindy Steeb: But the beneficiary does have access. I think that's the big misconception that I hear frequently about trust, is I don't want to my beneficiaries not to have access to it. So it's having access to it but having an opportunity to have the trustee as someone that they can go to and start to learn to make financial decisions. I think every single one of us can look back and go, "That was a misstep."

Tony D'Amico: Oops. Yeah.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Cindy Steeb: That was a misstep. Maybe that wasn't the best financial expenditure, and in hindsight and maturity that you might do something a little bit different. I know I'm guilty of that for sure.

Tony D'Amico: We all are, right?

Cindy Steeb: Yeah. That the older I've gotten the more I analyze and different things I take into consideration, and certainly there are things that I wish I hadn't spent money on that had that, savings for retirement now. But anyway, it's providing them, your beneficiaries, your family typically, with those resources and a cushion to learn. Another way to do that as well is not pick and age where they get outright distribution of everything all at once. What a nice thing-

Tony D'Amico: Mm-hmm (affirmative), kind of staging it, right?

Cindy Steeb: Right. Staging it over time in ages. So let's say that you want them to have some money at 26, maybe you do a third of your assets at 26, or a fourth. That's a great thing about trusts. They're also very flexible that you can really go back to the values. Kind of look back to the values and my North Star of perhaps kind of a mission statement or going through the discovery process. Let me think about what's the right age to start to distribute. But then you can stagger that over time, and maybe you don't do full distribution of everything until they're 35, but it allows your, you give your kids or your grandchildren, or whoever your beneficiaries are, it's a gift of practice.

Tony D'Amico: Right.

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Cindy Steeb: You get a distribution and maybe they did manage it as much as they look.

Tony D'Amico: Yes, giving them some staged experience and financial management.

Cindy Steeb: Right.

Tony D'Amico: Really, really important, and we see that a lot too. Where sometimes people want to stage that and sometimes we're even seeing people say, "I want to wait till 30 and maybe stage it out over their 30s." But there are still other ways where they can have access to the money for other reasons, right? Not just the age trigger.

Cindy Steeb: Right.

Tony D'Amico: So let's talk about that a little bit. What maybe are kind of some of the ongoing reasons that people can access the money if they need it.

Cindy Steeb: Well, and I always encourage clients to take some time to think about what, if they were alive and they were still able to help, what are some of those things they would want to help with? And we actually put those in the trust, is guided to the trustee. Some of those can be again, let's go back to the values of why I look at a estate planning as really being helpful for you to be able to share your values in an ongoing after you've passed, and maybe it's I would like to help with the down payment on a new home. Maybe you would feel more comfortable saying, I would feel comfortable helping with the down payment on a home if they already had 15% of the down payment. So they're not set in stone in a trust document, but you can share some of your wishes and put some of that

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

information in the trust document as guidance for the trustee, and we'll talk a little bit about the trustee and selection here in a minute, but I want to spend some more time on the distributions.

Cindy Steeb: You can also, one I see frequently is we want to help pay for the wedding. We want to help pay for that first wedding, or education is really important in defining what education it is, or what level of education that you would like to help, and that's where the trustee can look to that guidance language and say yeah, I understand that was really important to the person who set up this trust and I would like to continue to make distributions, but they can. So a wedding, maybe not a destination wedding in Italy, but maybe a destination wedding in Florida. But at least you have someone with some more experience, maturity, and financial acumen to be able to work with the beneficiary and help them make some of those decisions. You also can name investment advisors or people that you have already set up and ready so that a beneficiary isn't looking around going, or looking to the trustee then. How did they like things invested? Where are things invested? What is a good investment advisor, you can name investment advisors actually in your trust document as well. To again, surround your children with some, that cushion, that guidance in everything, right from the very start.

Tony D'Amico: That ongoing governance, if you will. I think the key segue, right? Or I guess maybe to think of it this way, you have an option. You can name somebody as a beneficiary on an account, they're going to get it outright by contract all at once, or you can use a trust, and have a little bit more depth to the planning. Who is the beneficiary

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

of the trust, at what ages can they get it, for what purposes? I think too another common misconception with a trust is, and we kind of hinted on this already, is that sometimes people want to go maybe one or two layers, meaning that they'll say, for example, just kind of using that wedding example. Say okay, you can pay for the first wedding, but maybe they throw in another layer and say okay, it can be up to X amount of dollars, or maybe they don't, they just keep it at this. We also typically see for health expenses, education, just to kind of maintain a certain standard of living. So all those reasons, right? Keep the money available according to the person that set up their trust and their wishes and it's just not just age distribution.

Tony D'Amico: But we've been talking just recently kind of about some of the key people that are named in the trust, and the trustee.

Cindy Steeb: The big one is the trustee, yeah.

Tony D'Amico: Yeah, and that's a very important role. They have a fiduciary responsibility. So maybe talk a little bit about what does a trustee do.

Cindy Steeb: Okay.

Tony D'Amico: What types of fiduciary responsibilities do they have, and what are some considerations on picking a trustee? We could probably do a whole.

Cindy Steeb: We could probably do a whole segment on the trustee.

Tony D'Amico: Yeah, we could do a whole episode on that.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Cindy Steeb: But yeah, I think the trustee, and if you're listening to all of this podcast, you're going to get tired of me saying, "Don't default to the oldest child down." Because particularly with the trustee, that can create a lot of disharmony in the family, and the planning that I do in working with clients is always trying to think how do you avoid disharmony. When you're past how do you set your family up for success, whether that's the right advisors, in the investment side the right advisors from a trustee perspective, all of that is really important. So you don't necessarily, particularly for setting a trust for your children, think about, and I've seen this scenario, create disharmony. Where one sibling is named of a trustee of a trust that's held for another sibling. But one sibling-

Tony D'Amico: A little bit of a rub, right?

Cindy Steeb: Yeah, there's a little bit of a rub there of I have to go ask my sister to distribute money for something, and not only the rub, the privacy of it, of having to disclose what could be very private information, and it could be ... I've had a situation where a beneficiary wanted a distribution for infertility treatments and didn't want anyone in the family to know.

Tony D'Amico: To know, yeah.

Cindy Steeb: And that was a tough situation with how the trust was structured, and who they had to go ask for the money. So very sensitive to who do you put in the role of trustee that the beneficiaries will feel comfortable with and that you don't create situations where another family member has to say no, or even maybe in some situations think about is there someone who might say yes when they should be saying no. So that can actually go swing both ways. You

***Wealth and Life with Tony D'Amico***



## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

can have the situation where the sibling doesn't want to say no for family disharmony but maybe they should be saying no, that's not an appropriate distribution.

Cindy Steeb: So when you think about the trustee and they do have a fiduciary obligation to make sure that the investments are appropriate, but they also have a responsibility to make sure they're making proper distributions and properly managing the money overall.

Tony D'Amico: And by fiduciary too, not to interrupt, that basically means that they have to look out for the best interest of the beneficiary of the trust.

Cindy Steeb: Correct.

Tony D'Amico: And they also have to make sure that they're following the trust.

Cindy Steeb: Right.

Tony D'Amico: And making all those decisions with kind of that lens of are they doing what the trust says, and for the benefit of the beneficiaries as they intended. I think that's really important because it's a big obligation, it's a liability, right? There's no higher level of care that the law defines than the fiduciary liability.

Cindy Steeb: Fiduciary liability, right. Yeah, so I think that really thinking through who makes sense to be that trustee and it's, if you can find one person, that's great, but you always have to remember too that person can pass away. If you are spreading distributions out, where your children are going to be older, it's thinking about the successor

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

trustee. So that decision always doesn't stop at just the one trustee.

Tony D'Amico: Just the first level, right?

Cindy Steeb: The first level. You need to think about the successor and you could always think about there are corporate trustees and there are more and more trustees that are starting to cater to trust administration and making those decisions, and separated from investment. So there are trustees that do both investment management and trustee services, but there's also a number of companies now that do just trust administration and help with the distributions and the ... There are certain legal requirements now in many states, including Ohio, of notices that need to go out annually for beneficiaries, and all of those kind of details that are also part of being a trustee.

Tony D'Amico: Sure. I guess let's talk about, because there is kind of a I guess a pivot to make or a decision to make, where you're either naming family members or trusted individuals to be the trustee or you can name a corporate trustee, which is a disinterested third party. I guess maybe talking a little bit about naming family members, again, is it going to put them in an awkward situation with other family members? What's their level of financial management skills? I think that's really important to talk about that for a minute. The clients that we work with, they're successful in life, they've done a great job saving or they have a successful business, and they still need wealth management, even though they are very smart. So a lot of times you can't think that even though you have smart, educated family members that's going to inherit things that they're going to be able to do financial

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

management really well. So I think it's a very thoughtful consideration. So we talked about those criteria again. Not putting a family member in a difficult situation, thinking about their financial management skills, ability to kind of handle those responsibilities and pressures.

Tony D'Amico: I think the other kind of sometimes consideration is, which maybe is another I guess tactic or strategy that sometimes we see, is being a trustee but almost by committee. That could work well or it could not work well.

Cindy Steeb: Not work well. It could go both ways.

Tony D'Amico: But for example if there's three children that are all responsible and that they ... But there are some challenges there too, right? Because if they're the beneficiaries of the trust, right?

Cindy Steeb: Right.

Tony D'Amico: Who is benefiting from the trust. I mean, overall, is that ... When would you consider that strategy versus maybe not consider that strategy?

Cindy Steeb: Well, and I've already talked about, it's hard if you have a sibling who is making a decision for another. You're defeating the purpose if you make the child trustee of a trust of which they are beneficiary, and they can distribute whatever assets they want. That's pretty much the same as giving them the assets outright. I think one really good solution could be you may know someone today that you really trust, and it could be a family member or it could be aunt, uncle, in-law, whatever. You might have someone that you're really comfortable with, but if you do in your successors name a corporate trustee as a successor that

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

there is a backstop. The nice thing about that is once you're named a trustee, you are not, I'm going to use the word stuck, you're not stuck being the trustee. So if things start to get uncomfortable or disharmony, or that it is not a situation that's going well, trustees can always resign as well. So trustees can resign and it can move to the next successor, and if you have a corporate trustee as kind of your backstop, that you do know that you have an entity that goes on for what lawyers like to say in perpetuity, that you always would have someone that you were able to select or are comfortable with as a trustee.

Tony D'Amico: Sure.

Cindy Steeb: So that may be a way to deal with the I know someone now, I just don't know how long that they may be available based on the distribution ages that I've selected, that you do have kind of thought through a longer term plan.

Tony D'Amico: Mm-hmm (affirmative), yeah. That's great. We've been talking about corporate trustees, and we've already talked about how that's an independent third party, and that has really evolved over the past 10, 15, 20 years where before to get somebody to be a trustee, you typically maybe for example had to go to a bank, and they'll be the trustee but you have to use their financial products that have certain costs associated with it.

Cindy Steeb: Their investments.

Tony D'Amico: Yeah. And as you mentioned lately, there's a lot more options with corporate trustees, where that organization strictly handles those fiduciary responsibilities and the administration of the trust, when to make those distributions, and they're not doing anything else. They're

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

not doing the wealth management or investment management. So that's a strategy that we often use. We'll have people ask us, can we be trustee, and we cannot in our role. So utilizing that corporate trustee, now that's a little bit of a different area where sometimes having that trustee selected, but also perhaps maybe having that managed by a committee of family members by majority vote. So that's one strategy that we've discussed in the past, and as a potential, but I think it's important to note that governance is really important. Naming a corporate trustee, naming a registered investment advisor that will provide the ongoing investment management, and if they do wealth management as well, they do the wealth planning, but then have individuals named that have the responsibility of-

Cindy Steeb: To oversee them.

Tony D'Amico: To oversee them, to change them-

Cindy Steeb: Change them if it's not working.

Tony D'Amico: If needed.

Cindy Steeb: Right.

Tony D'Amico: But we kind of were talking about that governance, but yeah. I guess what thoughts do you have there in regards to that?

Cindy Steeb: I think that's important. I think it's you always need to have, think through checks and balances, and who makes sense from a checks and balance perspective. We have talked about before, which was a great solution for this particular family where we set a committee that had the

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

ability to remove not only the trustee but the investment advisor if they weren't happy with their services. So the advisors can resign, but they also can be removed, and that keeps everybody working together and for the best interest of the beneficiaries. So from a governance trust, government's perspective that can be a really great solution.

Tony D'Amico: Yeah, yeah. I'm thinking about that case now too. There it just made sense to go one layer deeper, where if they needed to switch investment advisors, that they would hire another registered investment advisor-

Cindy Steeb: Investment advisor.

Tony D'Amico: That has fiduciary duty with their responsibilities, but they didn't name any other criteria, or location, but that was important to them.

Cindy Steeb: Yeah, and that's something you can do for the successors. If they are removed, you can put in the trust that you want certain characteristics of either the trustee that they move to or the trustee, or the investment advisor. I joke, I worked with a client and we spent a lot of time thinking about the fiduciary roles within the trust, and we were talking about the trustee and what characteristics if they wanted a change from the current trustee. I happened to throw out the example of do you want them to have the ability to name their college roommate, and thinking the college roommate would distribute anything they wanted to them and could act as a trustee, and maybe not the best choice. I joked with this client afterwards because his reaction was so visceral, and it was no way. I said, "What kind of college roommate did you have that you have this perspective?" That we

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

needed to put some criteria or some characteristics of who the successor would be so that it wouldn't be the person's college roommate.

Tony D'Amico: Sure.

Cindy Steeb: A couple of times in the conversation I used that example, so I did, I teased him for a while afterwards. You must have had not the best college roommate, but anyway. But putting some parameters or limitations of assets that they have under management or that they're administering if it's a trustee, just to make sure it's of a professional nature, is something that you also can do to help give that gift of guidance to your beneficiary should something happen.

Tony D'Amico: Sure. So there's a lot here. So with this, we were talking about trust planning and all the different considerations. So someone goes through this process and they've identified what's important to them, and kind of their North Star, and they've been intentional about what they need to implement while they're living. Perhaps it's certain things while they're living, obviously maintaining a lifestyle and perhaps it's gifting to maybe help grandchildren get educations. So there's a lot of things that happen during their life. So we talked about gifting, perhaps charitable contributions. Then there's stuff that you want to plan for when you're gone. So when somebody kind of goes through that process and they do everything, and they have all the right strategies in place, what do you see, and in people do you see like a sense of peace? I don't want to put any ... We've never talked about this, you and I.

Cindy Steeb: Yeah.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: So I'm curious. What's been your experience?

Cindy Steeb: Usually I see a sense of peace because starting with clients I like to have a conversation about what keeps you up at night, and once you have that plan in place, and have the peace of mind to know that you have a good plan and you're comfortable with the gifts, and gifts not only of assets but structure, and support, and people to assist with educating in the future. I see a lot of peace of mind. I see a lot of peace of mind. I have some clients that actually follow that peace of mind, and have a family meeting and share what the plan is. Not all clients do that, and particularly for younger clients where that plan may evolve, it may not be the best idea because the plans are revocable and they are changeable, in the most part for the documents that we've talked about today. So they may want to wait till later. But I have seen kind of that family meeting very helpful for older clients that want to share and want to let everybody know what happens when I pass. So there's peace of mind that's come from that, that the whole family is on the same page as well.

Tony D'Amico: That's awesome.

Cindy Steeb: So there are ... I think, and you're right, we haven't talked about this ever before, but I do see that there is that peace of mind. That peace of mind that I've got a good plan in place. Although I do say to family members, you need not ... This is not a one and done process. It's a process that can evolve, your life changes, life circumstance changes, that I encourage clients to look at the documents, at least every three years. I know the clients you and I work with together, I actually prepare a one page flow chart that they can look in one page.

***Wealth and Life with Tony D'Amico***



## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: Which we love.

Cindy Steeb: Yeah. One page, and here's what happens, here are the key provisions, that it's easy to pull it out. You're not pulling out a legal document to try to read to understand every three years. You can pull out that flow chart and go yes, this still works, or no, I need to make some changes. So I use three years as a rule of thumb or if you have life changes that it's worth revisiting your estate plan. So it's a process to get familiar with.

Tony D'Amico: Well, when I met you a couple of years ago and saw your flowcharts, I was like, "Oh, this is perfect." Because we used to do flowcharts to a similar, not quite as in depth from the legal standpoint, right, because we are not attorneys, but we had some high level concepts. I'm like, "Oh, this is perfect." And that's really an important thing. Yes, three years is very helpful and to give somebody that backstop. But one of the other things that we like to do, so all of our clients have what's called an advanced wealth planning mind map, and we have that estate planning, legacy planning section there. So what we do is we try to identify what are some of the moving parts that maybe do need to be looked at. So we're just kind of almost taking a look at it every year. Obviously when life happens, if there's births, or deaths, or you move to a different estate, obviously those would trigger certain things as well.

Cindy Steeb: Right.

Tony D'Amico: What we've been kind of talking about too I think is important to note is kind of the process. We kind of talked about the process. It's interesting, because once kind of their plan and strategies are in place, there is a lot of I would call them final action steps. So kind of having, I

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

think another reason why I think we work so well together is the importance of having a process that's founded in discovery, identification, then education, and then guiding them through each step of the way, but they get this all in place, and they feel that peace of mind, but then, like we talked about before, then there's a process to complete the process. There's updating titling, updating beneficiaries, where do you store the documents?

Cindy Steeb: The documents.

Tony D'Amico: Who are you going to give what document to? Are you going to have a family meeting? We always encourage people to let ... Ideally you want to perhaps have a conversation with somebody before you appoint them as a financial power of attorney agent, or a healthcare agent.

Cindy Steeb: Or a guardian.

Tony D'Amico: Or a guardian, yeah.

Cindy Steeb: Your children.

Tony D'Amico: So yeah. You don't want to just have those conversations after you do your documents, but even though when they are done, assume that you did have those preliminary conversations, to have a conversation. Maybe it doesn't need to be very deep, but sometimes people would want to and that's great too, but to have those conversations. So there's a whole host of issues, right? That have to happen for your plan to be actually implemented, and actually be successful. So I know I kind of just said a lot about that, but do you have any thoughts on that stage of the process?

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Cindy Steeb: No, I think it is. It's just, I think the key point that you made that's so important is it is a process. It is a process and it's so helpful to find those advisors that will walk that process with you, and keep you on track because there's a lot of steps to the process, but the peace of mind that you get at the end is so well worth it, and again, from personal experience, comparing my dad's passing to my mom's passing. With everything in order with my mom, it doesn't make a passing of a family member any easier, but it did take a lot of stress of trying to figure things out at that juncture. So there was a peace that came for myself as a beneficiary of my mom's estate. Just to know everything was in place, she was comfortable with the plan, she had been very thoughtful, and we weren't trying to figure everything out all by ourselves with having just lost a parent. So having that personal experience, and again why I went-

Tony D'Amico: Is key. Yeah.

Cindy Steeb: Yeah, why I went back to law school later in life to be an attorney, to do estate planning was that having that experience, and wanting that to be different for other people. Walking through the process and making those decisions when you're in a position to do so does give a lot of peace of mind.

Tony D'Amico: Yeah.

Cindy Steeb: A lot of peace of mind.

Tony D'Amico: Just my opinion is that that's what kind of makes people like you, like for yourself, your process is not ordinary, it's extraordinary, and the reason why is the life experience that someone brings to the table. Even from my

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

perspective, my father passed away when I was 20, we ran into a major glitch as well. He was very thoughtful. The home was owned joint with right of survivorship. So everything kind of went okay except for one account, and the one account was at a bank, and I'll never for get this because I was 20 years old. Both of my parents were born in Italy, so my dad kind of did all the financial stuff and my mom, she's awesome but she has a little bit of an Italian broken English, right? So she speaks a little bit of broken English, so I had to bring my mom to the bank.

Tony D'Amico: They recognized my mom, because my dad was a saver and he would go to the bank regularly and save. They saw in the paper that my father passed away, and they said, "Oh, Mrs. D'Amico, we're really sad to see that your husband passed away, we really enjoyed him." And my mom started to cry so I was talking to the teller. I said, "Well, we're here to transfer money from their savings account to their checking account." And she pulled up the information and she said, "Okay, well it looks like the account was just in your dad's name." And I said, "Well, I'm sure my dad set up beneficiaries."

Cindy Steeb: Right, he was so thorough.

Tony D'Amico: Because he was so intentional with everything else. She's like, "No, I'm sorry. There's no beneficiary listed and it's going to have to go through probate." So once I explained what that meant to my mom, she almost fell down to the ground because that was the liquid account. He had other assets that weren't as liquid, and there was like over \$50,000 in the account. I said, "Ma'am, I need you to double check your records. There's no way that my dad would not leave a beneficiary." And I'm thankful that I

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

pushed the issue because she went in the back, and this was some time ago. So she went in the back, dug through files, and there were still paper files then, and she found the beneficiary designation after about 45 minutes. I can tell you, that 45 minutes was so painful. But yes, nothing kind of that personal experience and having been through scenarios too where I've been the one making healthcare decisions for my mom with some health challenges that she has, but we definitely appreciate all that personal experience that is kind of completely evident through your process.

Tony D'Amico: So Cindy, as we wrap up this podcast, this podcast is really about achieving success where wealth and life intersect. Many people view success differently at different stages of their life, or perhaps at different stages of their business. Cindy, you have accomplished what most people would call a very successful business with the types of clients you serve. But I guess when you think about maybe your intersection of wealth and life for you at this stage, what does success look like for you moving forward?

Cindy Steeb: Great question. I think it has changed over time for me. For me success in my business and the core of my business is working with ultra high-net-worth families and setting up private family trust companies. We talked about trustees earlier, but some very wealthy families have set up trust companies that they created for themselves and they only act as trustee for their trust. For me success is more about taking my experience and taking my knowledge and background over a lifetime now and applying that to help families stay together and create harmony in the family. So it's at this juncture of my life

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

less about financial and much more about taking that background and that experience and helping set families up to stay together. A piece that frames that is when I was in private practice initially, I was being guided to probate litigation, and really probate litigation, once you're in probate litigation there is really not going back with families. It can be so acrimonious and it tears families apart.

Cindy Steeb: I actually could share a very specific meeting with a family that it was very clear that the only winner were going to be the lawyers in legal fees because the family was draining the estate in fighting about things that were very emotional for a plan that had not been well thought through in advance. I can look back to that very specific meeting and that's when I decided I wanted to do something different, and I really wanted to spend the rest of my career helping families plan to pass family businesses across generations, and how do you keep a family together, and what estate planning can you do with that, what governance perspectives can you put in place. We refer to them as family glue events. What can we do for family glue? How do you try to bring a family together versus tearing it apart? So for me success is more about helping families come up with those constructs, legal and nonlegal that really will help keep them together across generations. That's the framework I've been working in now for 18 years, and it's really having made that turn of trying to continue to help families figure out how to stay together.

Cindy Steeb: So that to me is more the definition of success than anything right now for me in CLS Consulting.

***Wealth and Life with Tony D'Amico***

## **Ep #02: Estate Planning with a Focus On Family Harmony with Cindy Steeb**

Tony D'Amico: That's awesome. Well, great. Well Cindy, thanks for sharing. You've been a great guest. We appreciate you sharing your expertise, and thank you so much.

Cindy Steeb: Well thank you for having me. Thank you. I appreciate it.

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