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Tom Sisson – ANSR Source

Technology – IT / Systems Integration

Captive Partnering - Outsourcing: it's a word that has become commonplace in the American business lexicon in 2005. Now meet an entrepreneur who believed in the vision of outsourcing back in 2003, and started a company to capitalize on one of the most significant international migrations of labor in American history. [More...](#)



Tim Bruinsma – Fulbright & Jaworski LLP

Attorney – International Transactions

Cross-border investment banking has been a hot topic this year among investment bankers and private equity investors. For a Los Angeles-based partner at one of the world's top international law firms, it's all part of a day's work. Get first-person observations of how international investments in the U.S. are creating new opportunities for deal flow, as well as his views on key emerging markets such as China and India. [More...](#)



Tom Handler – Handler, Thayer & Duggan LLC

Attorney – Estate Planning

Hear the story of how a reorganization eight years ago changed the life and times of one Chicago law office. Tom Handler explains how a decision to redirect the mission of his business to serve family offices in the ultra-high-income sector opened the door to success for his firm, including the creation of its well-publicized "Stealth Prenuptial arrangement". [More...](#)

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don't appreciate this."

On what is a particularly desirable business prospect for Tim Bruinsma at Fulbright & Jaworski: It is either a U.S. company that is looking to take its business international, or it's a company outside the U.S. that needs a good solid full-service law firm within the U.S. that can address all of its needs. He said that the sweet spot of his practice and the one that he would like to develop the most is international project finance. He added that he works with clients on infrastructure projects all over the world - usually in developing countries.

"For example, right now I have a project going in Belize to source food products in the agricultural countryside," Bruinsma said. "We will be putting in a food processing facility at the international airport

and then starting an air cargo system to ship the food products into four or five major U.S. cities. I just closed a real estate deal in Estonia. I have recently worked on some projects in Russia (a region in which I specialize) and on a mortgage project in Istanbul Turkey. I'm about to start a development project in Costa Rica."

If you want to contact Tim Bruinsma about Fulbright & Jaworski and its services, call (213) 892-9333 or email him at tbruinsma@fulbright.com.

Tom Handler
Handler, Thayer &
Duggan LLC

Professional Category:
Attorney - Estate Planning

Member Since:
May 2003



Networking Opportunities

"I'm really focusing on people with a net worth of \$25 million plus. We feel we can add a lot of value [to the family office markets] by understanding the integration of the structures and what's really going on in that segment, so that's really where I focus most of my efforts."

Know what changed Tom Handler's life?

It was business reorganization eight years ago that focused the Chicago-based law office of Handler, Thayer & Duggan, LLC on serving family offices in the ultra-high-income sector.

Once the firm took that direction, Handler said in a recent one-on-one interview with *clique*, he and his and partners discovered that the ultra-high-income sector was far more underserved than they had originally thought. The result was that business began to boom.

Handler credited the success to the firm's "open architecture" approach. He noted that this is a rarity among law firms or accounting firms. "We would have five persons on a team, a partner running the job as an advanced planner, meaning a high level of expertise in tax, estate, and perhaps multi-entity business planning, and then a team of support attorneys," Handler said.

There has been more money available because of lower interest rates, making cross-border transactions easier and more attractive. But what resonates perhaps even more with the market these days is the firm's reputation for offering ironclad "Stealth Pre-nups", which were the subjects of features this fall in both the *Wall Street Journal* and *Worth* magazine. Following are excerpts from the *clique* interview with Handler on the subject.

clique: Tom, on September 23 of this year, the *Wall Street Journal* picked up and quoted you for an article called "Beyond the Pre-nup". Can you give us a little color on what they were looking for?

Tom Handler: I think the premise that the *Wall Street Journal* picked up on, I guess I only partially subscribe to... *Worth* magazine picked up on this in part as well, and will likely pick up on it again in a more thorough manner either late this year or early in 2006; they did have a small blurb in their October 2005 issue.

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But the *Wall Street Journal* article talked largely about the use of vehicles in lieu of or in addition to a premarital agreement. And their thesis was that the premarital agreements are problematic, they get set aside regularly, you can't count on them, they get modified by judges and juries, and they are attended with a whole host of issues, as well as they are politically very difficult to get implemented, and even more so for high profile family offices, celebrities, entertainers, politicians. And so why not use legal structures which are in effect superior, and do a better job?

I agree with that part, legal structures are better, but the *Journal* was focused on using trusts too much, and by trusts I mean just plain old domestic, irrevocable trusts or living trusts which do provide a measure of protection and are certainly part of the equation but don't nearly go far enough.

I guess it's fine if you're worth \$100,000, but not if you're worth \$100 million. And so as you move up the market, higher income, higher potential, higher net worth, higher expected inheritance, it's just not good enough, and it's not what a billionaire or even a family worth even \$10 million should do to protect themselves.

So the Stealth Prenuptial arrangement is something we devised in the mid-90s, and then ultimately submitted trademark applications for, is a set of legal structures which when put together are as close to bulletproof as you can possibly attain.

So if you were Bill Gates and you were going to get remarried, there is nothing more you can possibly do on the planet to provide a higher level of protection of your assets other than this structure. So it's a "best of breed" approach, and it can be watered down as the income and net worth decline, and you can do it at a very basic level, that's not quite as tight, or you can take it all the way up to the Bill Gates level, depending on what's appropriate for the family.

clique: Tom, there's a lot of folks who are probably listening to this or reading the article, and

one of the things that comes right out at you is this is a very emotional thing, or it could be. So how do you convince somebody, or is it really a matter of convincing somebody, to take the path that you're leading them down? What are some of the challenges that you see when you first meet somebody, from an emotional standpoint, and how do you get them to the point where this is a good thing for both? In other words, they're going to get married, and then you're putting in protection here as if they're going to have a date in time on which they're going to get divorced?

Tom: I think in dealing with this, I mean, there are clearly better ways to approach it and really inappropriate ways to approach it. I would say first from a timing standpoint, this is something that should be brought up well in advance of the expected date of marriage, and not something someone springs upon their future spouse at the ninth hour. That's both imprudent in terms of courtesy, and it also has an adverse effect on enforceability. That's just not wise, particularly the premarital agreement.

The best approach is really, of course both, to do a premarital agreement and a stealth premarital arrangement, and the two taken together are phenomenal. That's world-caliber, as good as you can possibly attain. I think that in broaching the subject, I think it needs to be approached with great sensitivity, and can be and should be a positive. You

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“The Stealth Prenuptial arrangement... is a set of legal structures which put together are as close to bulletproof as you can possibly attain.”



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know the old saying, “those who fail to plan, plan to fail”? In effect there should be a discussion that says, what kind of a financial life together are we going to have? You’ve got two people who have never been married, they need to kind of figure that out, or two people who have previously been married, and say, are we going to have separate accounts, who’s going to pay the bills, how are we going to make investment decisions, or how does this all work?

Those are things that need to be addressed, and addressing them sooner rather than later is probably a good thing. And any time you can take the control of making those decisions away from a court or a jury, I think you’re much more likely to do what you intended and not what someone else intended.

So it really is in the best interest of both parties, it can lay a really good foundation for their future financial life together and a good basis for the marriage, and eliminate one of the thorniest issues in marriage. As you probably know, financial problems or financial issues are a major cause of divorce. Most people don’t talk about these issues and are surprised after the fact — one spouse is frugal and one spends like a drunken sailor and everything in between, it’s really important to have a meeting of the minds on how this works and this is the beginning of it.

clique: You presented your program at one of the Chicago Business Forum meetings, and there was an overwhelming interest from many of the members in the audience.

Can you give us a better perspective on what are the types of prospects that you’re looking for from a profile standpoint? Is there a certain net worth that you’re looking for — what’s a perfect client for you?

Tom: Well, I think for me personally, I’m really focusing on people with a net worth of \$25 million plus. Our firm will represent anybody with a taxable estate, so think in terms of having a million dollars plus. And I would say that most of the clients are well over that, but we certainly are willing to begin at that level. A lot of it too is where are you: if you’re early in your career, out of school, just starting, that’s different than being eighty years old and being in that same position. So we try to be reasonable and not use it as a hard and fast rule, but more as a benchmark. And then there is the family office marketplace; those people, of course, are hundreds of millions or billions of dollars, and these issues are paramount and fairly critical to those families, and that is certainly a marketplace that we’re very experienced in working with. We feel we can add a lot of value by understanding the integration of the structures and what’s really going on in that segment, so that’s really where I focus most of my efforts.

clique: How much time should a person be prepared to invest in creating a Stealth Prenup?

Tom: I suppose the fastest you could possibly put one together would be 8-10 weeks, and I would say more realistically it would be typical that the process would take three-to-six months, and it’s certainly possible that it takes longer than that.

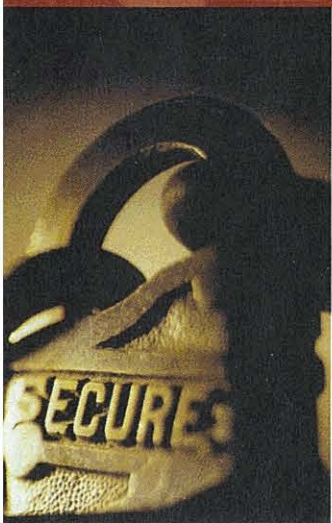
But if it’s based on other advisors being involved and review and turnaround time, if they’ve got a tremendous number of assets, funding and titling — well, those kind of changes just take time.

clique: During your presentation, one of the points that you raised that was very interesting was that although you’re based in Chicago, a lot of your clients are from around the globe.

Tom: Absolutely. First, you should know that

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“If you were Bill Gates...there is nothing more you can possibly do on the planet to provide a higher level of protection of your assets than this structure.”



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Chicago is probably the family office headquarters of the world, based on the number of large family offices that are here and the number of financial institutions that have based their family office groups here. For instance, two of the premier industry associations, Family Office Exchange and Family Wealth Alliance, are based in Chicago, as is Loyola Family Business Institute, which is a nationwide group. A tremendous number of the biggest industry conferences are held here on a regular basis.

So you've got a great confluence of both wealth and industry people here. Yet despite that, over 70% of our business is generated from outside of Illinois, and in fact these people tend to be all over the place, meaning multiple estates, multiple properties, multiple foreign countries, children and grandchildren living in foreign countries, homes and businesses in foreign countries, trusts in foreign countries, the list goes on and on, and in fact globalization seems to be growing at an escalating rate, if I had to cite a trend.

clique: Is there a reason why a lot of the family programs are based in Chicago, is it that the laws in Illinois are more favorable to family and that's why they reside there?

Tom: No, they are not. In fact there's really nothing unique — Illinois is generally a favorable state for business, and our tax rates are not onerous, but it is not a premier jurisdiction in terms of asset protection or taxation or anything else, I think it's in the center of the country with a great business environment in a very dynamic city with a lot to offer, and I think that's primarily the reason for it.

clique: And have you experienced any positive stories from leads you may have generated out of the Business Forums for your firm?

Tom: Absolutely. We've gotten a number of leads, but most recently or quite recently we met with a group of four individuals out on the west coast, in L.A., including some CPAs and attorneys who handle sophisticated captive insurance matters, and we really got together to see whether we would do business together and what the various groups had to offer

each other and whether there was a good fit. It turned out that one of the members of that group and one of his friends were members of the Forum out in L.A., so we had an instant connection the first 20 minutes of the meeting, and as a result of that meeting approximately two weeks later, we received an offer to come visit a family. We didn't know how big the family was, but we knew there was a family office involved with a significant net worth. We went down there and were literally engaged in approximately three weeks with a family that's a billionaire family. So, yes, it should be an exciting engagement, and I think it's a very good fit. We can create a lot of value so we're very excited about the engagement.

clique: Any final comments?

Tom: Well, I would say that I think with respect to the Stealth Prenup, its application is fairly broad, in that rather than focusing on a premarital agreement, which at best protects only the marriage of the person who's doing it, and it doesn't even protect that person from future marriages, the Stealth Prenup has longevity, in that it applies to every marriage. I would have, for example, if I put it in place, as well as every marriage my children or grandchildren have so that even if they don't do premarital agreements, I can rest assured that the assets I've transferred into these legal structures will be preserved from generation to generation for the benefit of my lineal descendants, and furthermore, those assets are protected from lawsuits and creditors and spurious claims out there, so that people cannot extort the family or hold the sword of Damocles over their head. As a result, it's a much better long-term wealth management approach than the norm in the marketplace.

If you want to contact Tom Handler about Handler, Thayer & Duggan and the Stealth Prenuptial arrangement, call (312) 641-2100 or email him at thandler@h2d1aw.com.

Stealth

Prenup has
longevity, in
that it applies
to every
marriage I
would have.