



HIGHTOWER  
Trust Company

# CASE STUDY

## Leveraging Delaware Directed Trust Statutes

**EMPOWERING FAMILIES WITH GREATER CONTROL, FLEXIBILITY, AND PROTECTION**

### WHY DELAWARE?

Delaware trust law is among the most favorable in the nation for high-net-worth families. A key advantage is its directed trust structure, which separates fiduciary responsibilities among specialized advisors. This allows families to tailor trust governance, retain preferred investment managers, and implement more effective multi-generational planning.

### THE MARTIN FAMILY MULTI-GENERATIONAL PLANNING JOURNEY

**CLIENT PROFILE:** John and Lisa Martin, both in their early 60s, are long-time clients of Hightower advisor, Jonathan. Their net-worth is approximately \$25 million, including concentrated positions in a family business and a well-diversified portfolio. The Martins are focused on:

- Preserving wealth across generations
- Minimizing taxes and administrative costs
- Retaining trusted investment counsel
- Providing financial literacy opportunities for their adult children

**CHALLENGE:** The Martins were ready to transfer assets into a trust but were concerned about:

- Losing investment control to an institutional trustee
- Having to liquidate illiquid or legacy assets to meet corporate trust investment guidelines
- The lack of flexibility and administrative complexity with traditional trust structures in their home state

Jonathan suggested a trust solution that would honor their intent without compromising control or efficiency.

**SOLUTION:** Working alongside their attorney, the Martins established a **DELAWARE-DIRECTED TRUST** to be administered by Hightower Trust Company.



## KEY FEATURES OF THE STRUCTURE INCLUDED:

- **Directed Investment Responsibility:** The Martins appointed their longtime Hightower advisor, Jonathan, as investment advisor to the trust. This allowed continued investment oversight while relieving them from liability related to investment decisions.
- **Administrative Trustee Role:** Hightower Trust Company was appointed to serve as the administrative trustee handling recordkeeping, distributions, reporting, and fiduciary oversight.
- **Asset Retention Flexibility:** Under Delaware law, the trust could hold their closely held business and legacy assets without the pressure to diversify, due to statutory protections and liability bifurcation.
- **Enhanced Privacy & Dynasty Planning:** The trust was structured to benefit their children and grandchildren, leveraging Delaware's favorable tax treatment and potential for perpetual duration.

## RESULTS

The Martins retained their trusted advisor, helping ensure continuity in their investment strategy without any disruption in philosophy or execution. They achieved tax-efficient wealth transfer by leveraging Delaware's favorable income tax environment and perpetual trust provisions. They also gained control, flexibility, and a dedicated fiduciary partner at Hightower Trust Company. Additionally, their adult children began participating in investment reviews with their advisor, enhancing financial literacy and transparency within the family.

## CONCLUSION

The Martins' experience illustrates how Delaware's directed trust statutes, combined with Hightower Trust Company's experience, can create a highly customized and effective wealth planning solution. For clients seeking control, efficiency, and legacy continuity, the directed trust model provides a compelling advantage.

# HIGHTOWERTRUST.COM

*The individuals mentioned are fictional and do not represent actual clients. Services provided by Hightower Trust Company. Trust and agency services are provided by Hightower Trust Company, National Association ("Hightower Trust Company, NA"). Retirement Plan Services are offered by Trust Company of Illinois, chartered by the Illinois Department of Financial and Professional Regulation. Hightower Trust Company, NA is a wholly owned subsidiary of Hightower Holding, LLC, and an affiliate of Hightower Securities, LLC, Member FINRA/SIPC, and Hightower Advisors, LLC ("Adviser"), an SEC registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. Hightower Trust Company, NA delegates investment management authority to the Adviser. The Adviser receives an investment management fee that is part of the overall trustee fee that is charged by Hightower Trust Company, NA. All securities transactions are processed through registered brokers that are monitored by Hightower Trust Company, NA. Although not a material consideration, the Adviser may consider certain support services or products it receives from custodians (e.g. at a reduced or no additional cost) which assist Adviser in monitoring and/or servicing client accounts, in recommending a custodial platform to clients. Hightower Trust Company, NA, relies on Adviser for several administrative services and Adviser is reimbursed for actual costs and for services. This material is not intended or written to provide and should not be relied upon or used as a substitute for tax or legal advice. The information contained herein does not consider an individual's or entity's specific circumstances or applicable governing law, which may vary from jurisdiction to jurisdiction and be subject to change. Clients are urged to consult their tax or legal adviser for related questions.*