



HIGHTOWER
Trust Company

CASE STUDY

Successor Trustee - Individual

CLIENT PROFILE: Dr. John Strom, in his early 80s, met the love of his life, Betsy, in medical school and recently celebrated 58 years together. Although they were unable to have children, they had lived a full, active, adventurous life together. They built a successful, private medical practice specializing in nursing and cardiology, which they later sold. With guidance from their Hightower advisor Jay, the Stroms crafted a financial plan for a secure and fulfilling retirement. This included the execution of revocable reciprocal trusts, naming each other as **Successor Trustee** in the event of incapacity or a significant life event. These trusts were designed to provide mutual benefit and help ensure their continued care. As Dr. Strom's health began to wane, Betsy took over as his long-term caregiver. It was a surprise to all when she was the one who had an unexpected, terminal health issue.



CHALLENGE:

CAPACITY: Dr. Strom was not in a healthy physical position to be able to complete or oversee the administrative duties associated with the affairs of Betsy's trust.

EMOTIONAL CONSIDERATIONS: The grieving period worsened due to Betsy's unexpected death, leaving Dr. Strom feeling overwhelmed and unable to focus.

DUTIES OF A TRUSTEE: There are legal considerations associated with trust administration that must be abided by, including the duties of a trustee, which Dr. Strom felt ill prepared for.

- Duty to administer
- Duty to delegate
- Duty to keep and render accounts
- Duty to take and keep control of assets
- Duty to furnish information
- Duty to make property productive
- Duty to use reasonable care and preserve trust property

SOLUTION: Fortunately, Jay had previously recommended the Stroms name Hightower Trust Company as a back-up Successor Trustee in their trusts, should either be unable to serve as Successor Trustee for each other's trust. Dr. Strom was able to resign as trustee on Betsy's trust, now irrevocable, so that he did not need to worry about fulfilling his duties of trustee, including administration, accounting for distributions and trust tax preparation. Hightower Trust Company stepped in as a Fiduciary, acting in the best interests of the grantor, Betsy, and the beneficiary, John, to administer the trust and provide for John's financial needs for the remainder of his life. Following the provisions in the trust, Hightower Trust Company also made distributions to extended family members, a couple charities they supported, and a planned gift to their alma mater.

Naming Hightower Trust Company as Successor Trustee provided the following benefits:

- Professional administration by trust officers.
- Income for the life of Dr. Strom, the surviving spouse.
- Administration of the trust in accordance with the provisions relating to the payment of healthcare needs associated with newly needed professional in-home care.
- The ability for Jay to easily communicate and coordinate with Hightower Trust Company regarding delegated investment responsibilities.
- The ability for Dr. Strom to focus on his health, knowing he is working with a national fiduciary to handle his finances and income needs.

RESULTS: Utilizing the language provided by Jay to name Hightower Trust Company as Successor Trustee in their trusts, the Stroms were able to have assurance that they had a Successor Trustee in place who is qualified to administer their trusts, should they need to utilize their services. This ultimately removed the burden of Dr. Strom being responsible for trust administration at a time of grieving and failing health.

CONCLUSION

With the help of their Hightower advisor, the Stroms were able to find a solution that met their needs, allowing them to focus on their time together. By planning for the unexpected, they could feel confident they would be taken care of in the event either of them were to pass or be incapacitated.

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