

# You Are Named as Trustee! Congratulations or Condolences?

By Eric G. Matlin, Attorney at Law



While you may consider the selection an honor, it can also be disorienting and painful. Battling beneficiaries, ambiguous Trust language, and weird circumstances are recipes for a volatile cocktail, one with ensuing personal liability if not mixed correctly. If you are not sole beneficiary or lack unlimited authority under the Trust document, tread carefully. You may have to account to remainder beneficiaries for your actions.

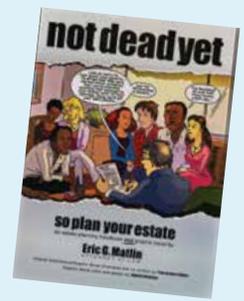
Before you become a trustee, do an honest self-assessment. Are you focused? Can you sweat the details? Be prudent with money? Are your own personal financial affairs in order? Are you organized? If you are able to make discretionary distributions to a beneficiary, are you able to say "no" to unreasonable demands?

## TOP TEN SUGGESTIONS IF NAMED A TRUSTEE:

1. It's a job, so treat it accordingly.
2. Follow all Trust terms. If assets are distributed outright, that job is easier than one where the trustee has continuing discretion and must balance the needs of current and future beneficiaries.
3. Keep good records,
4. Communicate with the beneficiaries (and do not communicate confidential

Trust information with non-beneficiaries, except as required). How might handling their money affect your existing relationship with the beneficiaries? Would any of them benefit from anger-management therapy to curb their bullying? Would you stand up to bad behavior, or would you hide? Do not favor one beneficiary over another.

5. If there are sufficient assets, consider appointing a corporate co-trustee to do the heavy lifting.
6. Know where the exits are. If you feel in over your head, exit stage left with a predetermined strategy.
7. Keep track of your time, even if you don't think that you will need or want compensation.
8. Do not self-deal (steal, borrow, charge unreasonably high trustee fees, invest in business transactions where you profit) or fall into conflict-of-interest situations.
9. Hire an attorney to represent you as trustee and obtain professional help, especially if you don't completely understand your role or if you need help with special assets, such as a business or real estate. Accounting, legal, and appraisal fees are ordinarily paid by the Trust.
10. Many of the suggestions listed above apply to other fiduciary appointments, such as the executor of a will and an agent acting under a Power of Attorney for Property.



Eric G. Matlin is President of Matlin Law Group, P.C., a Northbrook, IL law firm that concentrates in the legal areas of estate planning and estate administration. Call (847) 770-6600 to schedule an estate administration consultation or a free initial estate planning consultation or visit [www.MatlinLawGroup.Com](http://www.MatlinLawGroup.Com).



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