ESTATES OF THE RICH AND FAMOUS
ACCOUNTING DO'S AND DON'TS

By: Steven H. Malach, Esq.

I. UNDERSTANDING THE WORLD BEHIND THE WEALTH

- A. Complex financial and business structures
- B. Multiple income sources and ownership interests
- C. Personal wealth versus business and entity assets
- D. Lifestyle obligations and ongoing financial commitments
- E. Importance of preparation before death or incapacity

II. WHERE THE MONEY COMES FROM—AND WHERE IT GOES

- A. Business and investment income
- B. Entertainment, sports, and licensing revenue
- C. Royalties and contractual payments
- D. Trusts, partnerships, corporations, and LLCs
- E. Historical tax attributes and future tax exposure
- F. Liquidity needs during transition and estate administration

III. THE COST OF MAINTAINING A HIGH-PROFILE LIFESTYLE

- A. Multiple residences and household staff
- B. Security, transportation, travel, and insurance

C. Agents, managers, attorneys, accountants, and publicists

D. Business expenses versus personal expenses

E. Continuing obligations following death

F. Cash-flow requirements during estate administration

IV. THE PROFESSIONAL TEAM BEHIND THE CLIENT

A. Estate-planning attorneys

B. CPAs and tax advisers

C. Financial planners and wealth managers

D. Business managers and personal representatives

E. Trustees, fiduciaries, and other authorized decision-makers

F. Coordination of ownership, control, tax reporting, and distributions

V. INTELLECTUAL PROPERTY: WEALTH BEYOND A LIFETIME

A. Music catalogs and recording royalties

B. Film, television, publishing, and book rights

C. Copyrights, trademarks, and licensing agreements

D. Name, image, likeness, and other commercial identity rights

E. Personal versus entity ownership

F. Contract restrictions and transfer provisions

G. Post-death income and commercialization opportunities

One Towne Square, Fifth Floor, Southfield, MI 48076
p (248) 354-4030 | f (248) 354-1422 | maddinhauser.com

VI. THE HIDDEN FORTUNE: PERSONAL PROPERTY & COLLECTIBLES

A. Jewelry, watches, and designer items

B. Artwork and luxury automobiles

C. Awards, gold records, and signed memorabilia

D. Sports collections, trading cards, coins, and stamps

E. Historic artifacts and personal correspondence

F. Ownership records, provenance, insurance, and valuations

VII. PROTECTING THE ESTATE FROM DISPUTES

A. Unrecorded gifts and informal promises

B. Unclear ownership and missing documentation

C. Conflicting appraisals and sentimental value

D. Family disagreements over distribution

E. Inventory and photographic records

F. Written acknowledgments of transfers and receipts

VIII. CASE STUDY: THE MULTI-MILLION-DOLLAR COLLECTION

A. Establish ownership

B. Locate and secure assets

C. Prepare a comprehensive inventory

D. Obtain appropriate valuations

One Towne Square, Fifth Floor, Southfield, MI 48076
p (248) 354-4030 | f (248) 354-1422 | maddinhauser.com

E. Review insurance coverage

F. Confirm intended distribution

G. Coordinate with estate counsel

H. Record sales, transfers, and distributions

I. Evaluate tax and reporting consequences

J. Preserve supporting documentation

IX. FAME AND THE CHANGING VALUE OF AN ESTATE

A. Renewed demand for creative works after death

B. Increased interest in memorabilia and collectibles

C. New licensing and commercial opportunities

D. Potential changes in asset value

E. Public scrutiny and confidentiality concerns

F. Family disagreements over commercial use

G. Appropriate valuation versus speculative future value

X. THE ACCOUNTANT'S ROLE IN PRESERVING WEALTH

A. Identify financial and administrative risks early

B. Clarify ownership and income rights

C. Anticipate tax liabilities and liquidity requirements

D. Improve documentation and recordkeeping

E. Coordinate with the professional team

F. Support orderly administration and defensible reporting

One Towne Square, Fifth Floor, Southfield, MI 48076
p (248) 354-4030 | f (248) 354-1422 | maddinhauser.com