

# HAWAII TAX INSTITUTE PROGRAM

**SUNDAY, November 4**

**11:00 am – 12:00 pm**

## **Pre-Conference Workshops**

### **Early Registration**

**12:00 pm – 4:45 pm**

### **Fiduciary Income and Wealth Transfer Taxation Workshop**

An intensive and comprehensive workshop analyzing fiduciary income tax reporting under the Trump Tax Cuts and Jobs Act. This session will cover 2018 income and fiduciary tax updates, in-depth allocation and funding reporting, selected Form 1040/1041 issues, 754 elections, bit coin reporting issues, portability compliance, generation skipping tax reporting, charitable deductions for trusts, special gifting rules and 709 compliance issues, and much more. This session will feature hands-on training in filling out tax forms, case studies, and practical advice for every situation.

PAM ELLING, CPA

STEPHAN KING, CPA

### **The Anatomy of a Trust and the Fundamentals of Trust Administration**

This “nuts and bolts” presentation covers the preparation of inter vivos and testamentary trusts, and their administration. The first part of the presentation focuses on the drafting of these documents, including provisions governing (1) distribution of income and principal, (2) trust termination, and (3) distribution of remaining trust property. Learn about commonly used trust provisions, such as creditor protection, dead-hand control, and the rule against perpetuities, and the tax reasons, such as preventing trust assets from being taxable to the estate of the grantor, trustee, or beneficiaries and achieving optimal results for estate, gift, GST, and income tax purposes. The presentation’s second part focuses on best practices for the administration of trusts, including key provisions to include in trust documents to maximize flexibility, reduce taxes and costs, and ensure smooth administration through the trust’s termination. The interactive presentation will include real-life examples and problems illustrating the material. The goal of the presentation is for attendees, including those without experience in this area, to develop the skills necessary to prepare, understand, and administer trusts.

BRAD DILLON, Senior Vice President

MICHAEL S. SCHWARTZ, Attorney

SEAN R. WEISSBART, Attorney

**4:45 pm – 5:00 pm**

### **Questions and Answers**

**MONDAY, November 5**

**6:00 am**

### **Registration and Continental Breakfast**

**6:30 am – 7:45 am**

### **Pre-Conference Workshop – Setting the Stage: An Interview with Judges about the Dangers and Difficulties of Wealth Transfer at Death and Ethical Considerations**

An invaluable, interactive discussion with a presiding probate judge and a former presiding probate judge (now mediator) into what really goes on behind the bench and during a mediation. Learn first-hand why certain cases are very difficult to settle and why outcomes during this process can be very uncertain. The interview will be conducted by an experienced attorney who will identify a multitude of wealth transfer issues at death so wealth transfer advisers can better advise their clients about the obstacles, ethical considerations and dangers that may arise when engaging in a mediated and/or court process.

 CPE/Legal Ethics Credit available.

THE HONORABLE DAVID J. COWAN, Judge

THE HONORABLE ARNOLD H. GOLD, Former Presiding Probate Court Judge

LAURA ZWICKER, Attorney

7:45 am – 8:00 am	<b>Questions and Answers</b>
8:00 am – 8:15 am	<b>Official Welcome and Opening Ceremony</b>
8:15 am – 9:45 am	<p><b>Recent Developments Facing All Wealth Transfer Advisors and Current Transfer Tax Changes under the Trump Tax Cuts and Jobs Act</b></p> <p>Things are changing fast! Learn about the significant changes in wealth transfer taxes that have occurred under the Trump Tax Cuts and Jobs Act, recent developments in 2018, and pending legislation for wealth transfer taxation. This session will focus on how planning has fundamentally changed with the new Tax Act. Keep on top of current trends and developments that will affect all Wealth Transfer Advisors.</p> <p>TURNEY P. BERRY, Attorney CHARLES “CLARY” A. REDD, Attorney</p>
9:45 am – 10:00 am	<b>Break</b>
10:00 am – 10:45 am	<p><b>Unique Issues, Pitfalls and Potential Nightmares for Individual and Professional Fiduciaries Holding a Closely Held Business and Ethical Considerations</b></p> <p>This presentation will discuss the implications of trusts holding closely held business interests, including the conflicts of interests and the competing duties of a fiduciary to its beneficiaries as compared to a corporate officer to the business, and what ethical and practical problems wearing both hats might cause. Explore the complexities arising when fiduciaries hold interests in closely held entities, particularly the differences between holding minority interests and holding controlling interests. This presentation will also include practical implications, in the context of a discussion of cases from across the country.</p> <p> CPE/Legal Ethics Credit available.</p> <p>ERIC N. CZEPLYHA, Head of Private Business Advisory STEPHANIE LOOMIS-PRICE, Attorney MICHAEL YI, Managing Director</p>
10:45 am – 11:00 am	<b>Questions and Answers</b>
11:00 am – 11:45 am	<p><b>Current Developments and Trends under the Trump Tax Cuts and Jobs Act Affecting Nonprofits and Foundations; Avoiding Red Flags and Dealing with Your State’s Attorney General</b></p> <p>The new Tax Act impacts nonprofits in many ways, including changes in charitable giving, taxes on employee benefits and executive compensation, and the way unrelated business income tax (UBIT) is calculated. This session will focus on the new laws and strategies for tax-exempt organizations to address these issues. Also, with one current and one former Deputy Attorney General on hand, this session provides an inside look into the concerns and activities of their offices when it comes to the nonprofit sector. Learn about what red flags to avoid, and how to deal with an Attorney General audit or other enforcement action.</p> <p>TANIA IBANEZ, Senior Deputy Attorney General HUGH R. JONES, Former Deputy Attorney General OFER LION, Attorney</p>
11:45 am – 12:00 pm	<b>Questions and Answers</b>
12:00 pm – 1:30 pm	<p><b>Luncheon: The Important Role of the Tax Court in the Country’s System of Taxation</b></p> <p>THE HONORABLE CARY DOUGLAS PUGH, Tax Court Judge</p>

# HAWAII TAX INSTITUTE PROGRAM

1:30 pm – 2:15 pm

## **Putting It On and Taking It Off: Managing Tax Basis Today (For Tomorrow)**

Tax reform has arrived, and the importance of (and the opportunities surrounding) the management and creation of tax basis has never been greater. This presentation will discuss innovative tax basis management techniques that strip, shift, create, concentrate, and maximize basis where it can be of most benefit to taxpayers. The discussion will include: (i) upstream planning and powers of appointment to create basis; (ii) maximizing and multiplying the “step-up” in basis; (iii) the upside of leverage; (iv) partnership planning to move basis to where you want it; (v) novel uses of grantor trusts and disregarded entities in basis management; (vi) how to “base-up” foreign assets for U.S. taxpayers; and (vii) planning that benefits charity while capturing new basis for the family.

PAUL LEE, Managing Director

2:15 pm – 2:30 pm

## **Questions and Answers**

2:30 pm – 3:15 pm

## **All in the Family: Psychological and Legal Aspects of Estate and Trust Dispute Resolution**

A psychotherapist and one of the country’s leading trial lawyers team up to discuss the interwoven psychological and legal family dynamics that impact virtually every intra-family estate, trust and financial elder abuse dispute and that often affect pre-mortem estate and trust planning. Following a crash course in psychology for all wealth transfer advisors, this session will showcase some of the difficult issues with examples drawn from real life.

EILEEN GALLO, Ph.D

BRUCE ROSS, Attorney

3:15 pm – 3:30 pm

## **Questions and Answers**

3:30 pm – 4:00 pm

## **Break: Aloha Ice Cream Social**

4:00 pm – 4:45 pm

## **The Trustee’s Tale: What Fiduciaries Wish Wealth Transfer Advisors Would Consider and Discuss with Clients**

Wealth Transfer Advisors focus on achieving their clients’ goals and objectives while minimizing income and transfer taxes. Emphasis is often on the initial planning and drafting of the client’s estate planning documents and not the ultimate implementation and administration of the client’s overall wealth plan. Sometimes the best intended plan goes awry because of the failure to consider how the plan affects existing credit, the ability to secure future lending, family dynamics, and a panoply of other issues. This session will focus on issues professional fiduciaries wish all wealth transfer advisors would consider in advising clients and in drafting their documents.

JOHN F. BERGNER, Attorney

MATTHEW E. BRADY, Regional Managing Director

RHONDA L. GRISWOLD, Attorney

4:45 pm – 5:00 pm

## **Questions and Answers**

**TUESDAY, November 6**

7:00 am – 8:00 am

## **Continental Breakfast**

8:00 am – 9:15 am

## **“CANNON LIVE” – To Be or Not To Be a Directed Trustee; Understanding the Duties, Responsibilities, Risks and Rewards**

This session will be a national broadcast discussing why directed trusts are becoming more common and how to draft, administer and advise around certain unique issues. Many states have adopted specific statutes to address in detail

the relationship between the Trustee of a directed trust and the party holding the power to direct. Courts are grappling with complicated disputes related to directed trusts. Wealth Transfer Advisors must be prepared to handle the unique drafting and liability risks as they develop, such as the following: State laws regarding directed trusts; relationship among directed Trustee, the party holding the power to direct, and beneficiaries; ways to slice and dice duties and responsibilities of trust administration; and liability of directed Trustees and the party holding the power to direct.

TURNEY P. BERRY, Attorney

CHARLES "CLARY" A. REDD, Attorney

9:15 am – 9:30 am

**Questions and Answers**

9:30 am – 10:30 am

**It's a Small World – Exchange of Information for Tax Enforcement**

Governments around the globe are prioritizing tax enforcement and using all available tools to identify and investigate those individuals and entities seeking to evade their reporting and payment obligations. This panel will review the current tax enforcement landscape, the types of exchange of information, how information obtained is being used to develop investigations and pursue leads, and the options available to taxpayers seeking to come into compliance.

CAROLINE D. CIRAOLO, Partner

KURT K. KAWAFUCHI, Attorney

VICTOR SONG, Former Chief of IRS

10:30 am – 10:45 am

**Questions and Answers**

10:45 am – 11:00 am

**Break**

11:00 am – 11:45 am

**It's All about Valuation and Process**

Every transfer of assets and wealth transfer strategy relies on a valuation of the underlying asset, entity, retained interest and/or fractional share. This session will explore what type of valuation reports are available and appropriate for various wealth transfer strategies, how the Internal Revenue Service scrutinizes the valuation reports in its screening process and on audit, and what the Tax Court looks for in valuation reports in evaluating a case.

CARSTEN HOFFMANN, Managing Director

JUDY Y. LEE, Attorney

THE HONORABLE CARY DOUGLAS PUGH, Tax Court Judge

LEE C. SCHWEMER, Formerly Supervisory Attorney – IRS

11:45 am – 12:00 pm

**Questions and Answers**

12:00 pm – 1:30 pm

**Luncheon: Globalization of the World's Economy with the Emphasis on the United States and Asia Economies**

PAUL BREWBAKER, Ph.D.

1:30 pm – 2:20 pm

**TRACKS: *Fiduciary, Financial, Tax, Controversies, Charitable, or Compliance***

**FIDUCIARY**

**Using ESOPs for a Closely Held Business To Unleash Its Value**

This session will explore how an Employee Stock Ownership Plan (ESOP) can be used to achieve liquidity and diversification for the company while maintaining control, create pride of ownership/retention value for the company's employees and much more. Learn how ESOPs are designed and administered to achieve your client's wealth transfer planning goals and objectives.

WILLIAM H. ATHA, II, Family Wealth Director

GREGORY M. HANSEN, Attorney

WILLIAM O'BRIEN, Senior Vice President

## HAWAII TAX INSTITUTE PROGRAM

- FINANCIAL** **The Wealth Transfer Intersection and Conflicts: Your Role as Trusted Advisor**  
Tax, financial and estate planning are fundamental to transferring assets to beneficiaries. Just as important, and often overlooked, is the preparation of children and grandchildren to receive wealth and the responsibilities and conflicts that come with it. This session explores ways wealth transfer advisors can help families prosper and thrive from generation to generation. Topics include recognizing and addressing the challenges and conflicts of successfully transferring wealth to next generations, leveraging strategies to create family legacy, and using charitable giving as a pathway to enduring family harmony and unity.
- e** CPE/Legal Ethics Credit available.
- JOSEPH BUI, Vice President  
JOLINE GODFREY, Author  
LISA D. SNYDER, Legacy Strategist
- TAX** **Tricks and Traps for Trusts Holding Pass-Through Entities**  
Holding S corporations and partnerships in trusts can create cash flow issues and tax traps, but sometimes creating a business entity can yield pleasant surprises in managing a trust's income tax. Attendees will learn about the dangers when those bequeathed the business interest are different from the owner's or primary beneficiary's residual beneficiaries; a trap when the trust or estate is in one state and the entity's assets are in another state; how to correct apparently blown opportunities to get a basis step-up in a partnership's assets; and creating business entities to generate superior fiduciary income tax results.
- STEVEN B. GORIN, Attorney
- CONTROVERSIES** **Recent Developments in Financial Elder Abuse**  
This session will focus on recent statutory and case law developments in the burgeoning field of financial elder abuse, a growing national crisis flowing from senior citizens' increased longevity and growing susceptibility to fraud and undue influence. Also included will be special insights from a former FBI Agent about surveillance, obtaining personal and financial information and much more.
- PATRICK M. CONLEY, Former FBI Agent  
BRUCE ROSS, Attorney
- CHARITABLE** **Basic Charitable Gift Planning Techniques**  
This session will review the basic charitable gift planning techniques, including outright gifts, IRA and qualified plan beneficiary designations, gifts of insurance, charitable gift annuities, split interest trusts, and the use of grant-making entities. Compare contrast and consider when these techniques would be appropriate for a client's particular circumstances.
- STEPHANIE B. CASTEEL, Attorney  
AMY TAKAHASHI, CPA
- COMPLIANCE** **Retirement Plan Assets: What To Do with Them During Life and How To Transfer Them upon Death, Divorce and Incapacity**  
Retirement plan assets dominate the balance sheets of many clients. Wealth Transfer Advisors must learn how to explain, plan for, and execute required minimum distributions during lifetime and transfers upon divorce, to deal with incapacity issues, and whether to convert to a Roth IRA after the 2017 Tax Cuts and Jobs Act. This session will also provide practical pointers for all wealth transfer advisors when their client's call upon them to help name death beneficiaries, and to help plan for required minimum distributions after death.
- JOHN F. BERGNER, Attorney  
MICHAEL J. JONES, CPA

2:20 pm – 2:30 pm

**Questions and Answers**

2:30 pm – 3:20 pm

**TRACKS:** *Fiduciary, Financial, Tax, Controversies, Charitable, or Compliance*

**FIDUCIARY**

**Alexa, Prepare My Will**

The next generation client does everything online, including titling assets and designation of beneficiaries. Now, they want to do their Wills and eventually their trusts in the same manner. Courts across the country are now wrestling with electronic Wills, and the Uniform Law Commission has established a drafting committee to consider a model statute on the subject. Like it or not, electronic Wills are coming, and all wealth transfer advisors need to get ahead of the game in terms of their legal, financial and practical parameters.

ROBERT K. KIRKLAND, Attorney

SUZANNE BROWN WALSH, Attorney

**FINANCIAL**

**Trumping Uncertainty: Winning Investment Strategies To Transfer Wealth under the New Tax Cuts and Jobs Act**

Recent legislation made significant changes to the tax laws affecting investors. Which strategies are likely to work best in the current tax and investment environment? Learn about the challenges that investors currently face, review income tax minimization opportunities, obtain perspectives on the newly added “qualified business income” deduction, examine charitable contribution strategies that are likely to maximize economic benefits to both charity and donor, and compare simple gifts to “leveraged” wealth transfer strategies. Case studies and sophisticated wealth forecasting software will be used to highlight key issues.

THOMAS J. PAULOSKI, Attorney

**TAX**

**A Free for All: Top 10 Common and Not-So-Common Errors in Estate, Gift and GST Tax Reporting**

Federal estate and gift tax returns present the greatest compliance challenges and risks for fiduciaries and tax professionals. This workshop will review in practical terms the 10 most significant errors (whether common or not) that practitioners need to avoid in order to file effective and non-red-flag generating estate and gift tax returns, including their defense. Among the topics will be effective marital deduction reporting, pre-filing compliance review (particularly of adjusted taxable gifts), avoiding wasted GST exemption allocations and protecting the allocations you want made, optimum use of gift tax returns with adequate disclosure, integrating Forms 706 and 8971, defensive planning, and compliance checklist with FLP and FLLC planning and deferred estate tax payments.

KEITH SCHILLER, Attorney

**CONTROVERSIES**

**Going Off the Rails: How To Deal with Difficult/Uncooperative Clients**

Isn't it great that all of our clients listen to everything we say, follow our advice exactly, stay out of trouble, pay us the moment they receive the bill, and are delighted with our service? Well, we can dream, can't we? This workshop will consider the practical, legal, and ethical issues that can arise when a client appears to be veering off course, or actually does so, whether deliberately or not. The discussion will include situations in which the client is a trustee or other fiduciary. As Wealth Transfer Advisors, we have duties to our clients, but we must also protect our reputations, practices, and financial well-being.

 CPE/Legal Ethics Credit available.

THE HONORABLE ARNOLD GOLD, Judge, Retired

JOHN T. ROGERS, JR., Attorney

# HAWAII TAX INSTITUTE PROGRAM

**CHARITABLE** **How To Order Like an Expert**

Know what's on the menu as well as the "off-menu" specials to satisfy your clients' charitable appetite. This session will help you become an expert on how a community foundation can coordinate with wealth transfer advisors and their clients to support charitable giving. This session will also describe innovative ways wealth transfer advisors and their clients can partner with a community foundation to implement national philanthropic strategies at the local level.

KRISTEN M. GURDIN, Assistant General Counsel

KATE LLOYD, General Counsel

JEANETTE LODWIG, Former General Counsel

**COMPLIANCE** **International Wealth Transfer Tax Planning after the Tax Cut and Jobs Act**

It is becoming more common for wealth transfer advisors to regularly interact with clients with connections to multiple countries. Although international wealth-transfer planning was already a complicated area of the tax law, the Tax Cuts and Jobs Act of 2017 added complexity by changing certain rules that had existed for some time. This session addresses the U.S. tax rules relevant for wealth transfer planning for both U.S. persons with financial interests outside the United States and foreign persons with financial interests within the United States. The session also highlights the techniques practitioners should use following passage of the Tax Cuts and Jobs Act of 2017

BRAD DILLON, Senior Vice President

MICHAEL S. SCHWARTZ, Attorney

SEAN R. WEISSBART, Attorney

3:20 pm – 3:30 pm

**Questions and Answers**

3:30 pm – 4:00 pm

**Break: Ohana Tea and Cookies**

4:00 pm – 4:50 pm

**TRACKS: *Fiduciary, Financial, Tax, Controversies, Charitable, or Compliance***

**FIDUCIARY** **How To Do It When You're Dead**

Wealth transfer planning post death and selected administration issues to effectuate wealth transfer planning include a discussion of the following: Deferral of the estate tax using Graegin Loans, 6166 deferral and TCLATS; freezing assets in a QTIP Marital trust and 2519 issues; getting a step-up in basis at the first and second death; discounting assets without underfunding the Marital Trust; making the 645 election; valuation issues post death; alternate valuation election and the liquidation of assets during administration; and making the Bypass trust work like a grantor trust with the surviving spouse as the grantor.

JONATHAN C. LURIE, Attorney

AMY TAKEUCHI WANLASS, Attorney

**FINANCIAL** **Choice of Entity and Jurisdiction – Creating the Best Tax, Financial and Asset Protection Outcomes for Your Clients and Their Wealth Transfer Strategies**

Choice of entity determinations are one of the most important decisions your clients will make. This session will discuss how tax reform under the 2017 Tax Cuts and Jobs Act legislation impacts the choice of entity decision and help every wealth transfer advisor make a reasonable determination as to whether to make any changes to your client's entity choice in the wake of tax reform. This session also will review important non-tax choice of entity and wealth transfer strategy considerations.

JEFFREY A. MANNISTO, Attorney

LAURA A. ZWICKER, Attorney

**TAX** **New, Effective and Innovative Uses of Non-Grantor Trusts for Individual Taxpayers To Maximize Deductions and Income Tax Benefits that May Have Been Reduced or Eliminated under Trump's Tax Cut and Jobs Act Legislation**

This presentation will review the main deductions minimized or eliminated for individuals under the new Tax Act and explain in detail how non-grantor trusts may be used to avoid them. Learn how the \$10,000 annual limitation on the deduction for real property taxes can be avoided, the phase out and disallowance of the new Section 199A deduction for specified service businesses can be eliminated, to use the alternative W-2 and depreciable property tests for other businesses, and to provide a taxpayer with the full benefits of a deduction for charitable contributions without foregoing the enhanced standard deduction.

JONATHAN G. BLATTMACHR, Attorney (Presented Remotely)

**CONTROVERSIES** **Reporting Your U.S. Client's Foreign Assets and What To Do When Things Get Rough**

Learn about what forms are used to report your client's assets located in a foreign jurisdiction and the penalties associated with the failure to properly disclose. Understand how to remedy the non-disclosure, under-disclosure and/or improper disclosures and the government programs still available to resolve or minimize your client's potential tax liabilities.

ROBERT N. DURAN, Attorney

KURT K. KAWAFUCHI, Attorney

**CHARITABLE** **Global Giving**

Many U.S. charities and individuals want to contribute funds to support charitable activities around the world. This session will discuss various structures to make this possible and common mistakes.

ANDREW SCHULZ, General Counsel

JULIE SHAFER, Head of Strategic Philanthropy & Purpose Investments

LAVERNE WOODS, Attorney

**COMPLIANCE** **Restructuring the Family Office under Trump's Tax Cut and Jobs Act**

Family offices throughout the country with domestic and foreign ownership structures are grappling with far-reaching changes in the new tax act. Understand how certain new changes apply and effect family office structure and governance. Learn how to advise your family office client on what to do under the new tax environment.

DOMINGO P. SUCH, III, Attorney

FABIOLA SUWANTO, Attorney

4:50 pm – 5:00 pm

**Questions and Answers**

**WEDNESDAY, November 7**

7:00 am – 8:00 am

**Continental Breakfast**

8:00 am – 9:00 am

**Surveying the Landscape and Current Developments in Taxation Using Pass Through Entities under Trump's Tax Cut and Jobs Act**

The landscape for wealth transfer advisors is changing rapidly with changing regulations, changing tax laws, globalization of clients and wealth, and the changing demographics. This session will explore how the landscape has been altered, and the new rules related to pass through entities and the Section 199A deduction. Learn about how entity planning has fundamentally changed and how to mitigate taxes as a result of the new provisions for investment in opportunity zones, and the use of non-resident trusts to minimize the non-deductibility of state income taxes.

MARK L. VORSATZ, Managing Director



# HAWAII TAX INSTITUTE PROGRAM


9:00 am – 9:15 am

## Questions and Answers

9:15 am – 10:15 am

## Challenging Mom or Dad's Wishes before They Die Can Be Risky Business

When financial and healthcare decisions lead to conflict between and among elderly parents and their children, the decision to initiate litigation is often fraught with risk. Fractured families, costly attorneys' fees, ethical considerations and the potential for a disinherited litigant must be weighed against the potential benefits of initiating litigation during a parent's lifetime, particularly in elder abuse situations, where the capacity of an aging parent is in question, or where post-death litigation is inevitable. This session will examine common scenarios triggering pre-death litigation, the propriety of doing so, risks and benefits of initiating a pre-death contest, and other pre-death litigation trends across the country.

 CPE/Legal Ethics Credit available.

ROBERT BARTON, Attorney

THE HONORABLE DAVID J. COWAN, Probate Judge

VIVIAN L. THOREEN, Attorney

10:15 am – 10:30 am

## Break

10:30 am – 11:45 am

## Attacks on Wealth Transfer Advisors, their Client's Wealth Transfer Strategies, and Tax Reporting

This session will focus on recent attacks on taxpayer plans, advisors, preparers and the penalties that can be attributed to this group, relief from passport revocation/denial and the new partnership audit rules. Also included will be tips and pointers every wealth transfer advisor can use in their everyday practice and insights into how the tax court views various wealth transfer issues and concerns about online and public access to filings.

KURT K. KAWAFUCHI, Attorney

ROBIN KLOMPARENS, Attorney

THE HONORABLE JUAN F. VASQUEZ, Tax Court Judge

11:45 am – 12:00 pm

## Questions and Answers

12:00 pm – 1:30 pm

## Luncheon: Purpose and Mission of Hawaii's Highest Court in the Land; The Supreme Court

THE HONORABLE MARK E. RECKTENWALD, Chief Justice Hawaii Supreme Court

1:30 pm – 2:20 pm

## TRACKS: *Fiduciary, Financial, Tax, Controversies, Charitable, or Compliance*

### FIDUCIARY

## Unwinding FLPs and LLCs

For years, wealth transfer advisors have focused on the formation of limited liability companies ("LLCs") and limited partnerships ("LPs"), and the benefits of creating these entities, for example, retention of control by senior family members, ease of gifting, engaging younger family members in the business and investment activities, and valuation discounts. What has not received as much attention is the end-game for LLCs and LPs. As the estate tax exclusion has increased, many families want to exit these entities. Terminating an LLC or LP poses a number of complex (and many times counter-intuitive) income tax issues that may be ignored or overlooked, particularly if the expertise of the wealth transfer advisor is more concentrated on estate planning than income taxation. This presentation explores the income tax issues and pitfalls that may arise in connection with a complete or partial liquidation of an LLC or LP.

HARMON A. BROWN, Attorney

BRIAN K. JANOWSKY, Attorney

MICHAEL K. MOYERS, Attorney

**FINANCIAL** **Selecting Types of Trusts, Trustees & Trust Administration Based upon a Family's Assets**

This session addresses how an asset-based approach to wealth transfer planning can be critical to a family when it comes to maximizing efficiency, flexibility, control, asset protection, and tax savings. Critical trust assets, such as business interests, LPs, LLCs, residential and commercial real estate, art, oil and gas, jewelry, antiques, financial assets, private equity, pets, land, honorary gravesites, and life insurance will all be discussed in order to maximize a family's goals.

AL W. KING, III, CEO

**TAX** **New Developments on Special Needs Trusts**

2018 has brought significant changes to this important practice area, including new income tax rules on qualified disability trusts, as well as new social security POMS regulations on qualifying and administering special needs trusts. This presentation will focus on both first party special needs trusts as well as third party supplemental trusts, and will provide drafting and administrative suggestions to assist wealth transfer advisors in their practice. An update on recent case law developments will be presented as well.

DEBORAH J. TEDFORD, Attorney

**CONTROVERSIES** **Point-Counter-Point with the IRS**

An in-depth and interactive discussion over a variety of wealth transfer issues with viewpoints from the IRS and wealth transfer advisors. Understand the red flags that may trigger an audit and learn about how to avoid and/or defend your client's wealth transfer strategy.

JONATHAN C. LURIE, Attorney

LEE C. SCHWEMER, Former Supervisory Attorney – IRS

**CHARITABLE** **Impact Investing**

MRIs, PRIs, SRIs, ESG - Increasingly, philanthropists are interested in utilizing investments to help achieve charitable goals. This session will address current challenges and opportunities presented by impact investing.

SUSAN GARY, Professor

ANDREA KUSHNER ROSS, Director

DAVID A. SHEVLIN, Attorney

**COMPLIANCE** **Owning a Piece of Paradise – The Benefits and Challenges of Hawaii Real Property Ownership**

This session will address the benefits and challenges of owning real property in the State of Hawaii. Learn about the initial considerations for lifetime ownership of the Hawaii real property and the planning considerations to ensure proper administration during incapacity and after death. Also included will be Hawaii's transfer on death deed ("TODD"), Statutory Form of Power of Attorney and the impact of the 2018 changes to the Hawaii estate tax.

JUDY Y. LEE, Attorney

2:20 pm – 2:30 pm **Questions and Answers**

2:30 pm – 3:20 pm **TRACKS: *Fiduciary, Financial, Tax, Controversies, Charitable, or Compliance***

**FIDUCIARY** **The Ever-Evolving Ramifications of Joint Spousal Trusts**

Joint spousal trusts have been a staple of the wealth transfer practice in community property states for decades. With the advent of portability and higher estate tax exemptions, the use of joint spousal trusts is growing in common law states. In addition, ten states (from Virginia to Hawaii) with tenancy by the entirety laws have implemented "qualified joint spousal trust" statutes, which allow the use of revocable

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trusts with continued creditor protection. The session will compare and contrast all of these techniques and discuss the ethical considerations thereunder.

**e** CPE/Legal Ethics Credit available.

ROBERT K. KIRKLAND, Attorney

SUSAN VON HERRMANN, Attorney

### **FINANCIAL** **Protecting Trust Assets from Property Damage and Casualty Loss: The 6 Costliest Mistakes Wealth Transfer Advisors Make When Selecting Insurance Coverage**

This session will focus on differing companies, coverage options, and available terms and conditions in the marketplace, as well as some critical “must-haves” for the wealth transfer advisor’s clients. Without in-depth knowledge of these critical aspects of the Property & Casualty Insurance marketplace, Trust assets (and fiduciaries themselves) may be exposed to unexpected and irreparable financial loss. Included will also be 6 key mistakes wealth transfer advisors often make when selecting Property and Casualty Insurance coverage to protect assets and their clients.

DAVID J. BEETON, Private Risk Advisor

BENJAMIN J. BOLLENBACHER, Strategic Partnerships Manager

### **TAX** **Introduction to IRC 1031 Delaware Statutory Trusts**

Investment real estate properties in most parts of the country have substantially appreciated in value over the years, resulting in a tremendous amount of built-in capital gains. This session will discuss the advantages, both short-term and long-term, of using 1031 DSTs for tax deferral, income, income and cash, or mostly cash during the term of the 1031 DST. Learn about the advantages and disadvantages to using 1031 DSTs versus IRC 1031 versus selling outright (and paying capital gains tax).

WILLIAM H. ATHA, III, Family Wealth Director

TIM DONAHUE, CEO

MICHAEL WEITZNER, Managing Director

### **CONTROVERSIES** **The New Frontier in Fiduciary Litigation: Contingency Fee Arrangements**

A discussion of the increasing practice of using contingency fee arrangements to represent trustees, executors, and beneficiaries who otherwise do not have the financial means to pay for legal services on an hourly basis. This topic explores who can use contingency fee arrangements, how contingency fee agreements are typically structured, how they can be effectively used in trust, will, and estate litigation, and the practical implications and potential conflict of interest for professionals and their clients.

**e** CPE/Legal Ethics Credit available.

STEWART R. ALBERTSON, Attorney

KEITH A. DAVIDSON, Attorney

### **CHARITABLE** **Giving Away the Farm: Maximizing Charitable Planning with Non-Cash Assets**

How would you help a client who wants to donate farmland, mineral rights or a vacation home to charity? Non-cash assets such as real estate, closely held stock, and collectibles are estimated to be a \$40-\$60 trillion market; yet non-cash assets represent less than 2% of all charitable gifts. Learn about the charitable planning techniques wealth transfer advisors can utilize in advising their clients regarding charitable giving and tax planning. This session will focus on how to maximize your clients’ deductions through untapped assets such as real estate, privately held

C corporations, S corporations, LLCs, limited partnerships, and other unique assets.

CHERYL DENTON, Charitable Strategist

JENNIFER JONES, Director

JUDITH L. OTTER, Executive Director

**COMPLIANCE** **A Complete Package: Maximizing the Tax Benefits When Assets Are Held in Trust**

Learn about the income tax provisions that affect trusts. These provisions include significant changes under the Tax Cuts and Jobs Act, “distributable net income” and determining when capital gains are included in DNI, the differences between simple and complex trusts, making Section 645 elections, distribution deductions for beneficiaries, the apportionment of depreciation deductions between trusts and beneficiaries, special charitable contribution deductions, loss deductions, and state income taxation on non-resident trusts.

KEITH S. DOLABSON, CPA

BRIAN GRAY, Partner

SHANNON WARD, CPA

3:20 pm – 3:30 pm

**Questions and Answers**

3:30 pm – 4:00 pm

**Break: A Gathering – Wine and Cheese Sampling**

4:00 pm – 4:50 pm

**TRACKS: *Fiduciary, Financial, Tax, Controversies, Charitable, or Compliance***

**FIDUCIARY** **Are You Ready To Think Big: 6 Best Ever Wealth Transfer Strategies**

The presentation will cover six of the best wealth planning techniques in the new age of tax reform: LAIDGT, LAGRAT, GLT, BDOT, IDPIP and UPIDGT. The LAIDGT and LAGRAT techniques turbocharge the income tax and estate tax benefits of a sale to a grantor trust or the creation of a GRAT without many of the limitations of those techniques. The GLT (GRAT like trust) technique has many of the advantages of a GRAT without many of its limitations (including the inability to efficiently leverage the GST exemption and the devastating effect of the grantor’s early death). The BDOT (beneficiary deemed owner trust) technique has many income tax and transfer tax advantages in comparison to either a grantor or non grantor trust. The intentionally defective preferred interest partnership (IDPIP) technique has more income tax and transfer tax advantages than conventional techniques for the \$6 to \$15 mm client who is worried about the exemption disappearing in 2026, but is reluctant to use the exemption because of cash flow needs from his or her assets. The discussion of the UPIDGT (upstream intentionally defective grantor trust) technique explores the income tax and transfer tax advantages of creating a grantor trust for the grantor’s parent and giving that parent a formula general power of appointment.

S. STACY EASTLAND, Attorney (Presented Remotely)

**FINANCIAL** **Valuing Music and Film Copyrights, and Name and Likeness Rights**

A former IRS Estate Tax Attorney, with IRS Appeals and Tax Court experience, and the President of The Ray Charles Foundation will provide unique insights into the successful valuation of music and film copyrights, and deceased celebrity name and likeness rights for estate tax and charitable purposes. Understand and avoid the potential IRS audit red flags as well as key appraisal errors, omissions and inconsistencies. This session will also provide a revealing look at how contrasting motivations and viewpoints between the IRS and private industry can lead to widely divergent valuation approaches, assumptions and conclusions.

VALERIE ERVIN, President

MICHAEL A. PERLMUTTER, Attorney

# HAWAII TAX INSTITUTE PROGRAM


## **TAX** **Wealth Transfer Strategies with Income Tax Nothings**

This presentation will address opportunities and issues associated with using income tax “nothings” like grantor trusts (IDGTs, GRATs, BDITs) and disregarded entities (single member LLCs and QSubs) in estate and tax planning. This presentation will also address the tax (income and transfer tax issues) and non-tax issues (asset protection, reporting compliance) with single member LLCs and grantor trusts, and the issues with various planning structures.

CHRISTOPHER J.C. JONES, Attorney

## **CONTROVERSIES** **Family Dynamics and Intergenerational Conflict: Preserving Family Wealth and Harmony**

Under the hard glass of the “money magnifier”, the unique qualitative issues and challenges of wealth in families come to the forefront. This presentation highlights some practical tools to help wealth transfer advisors navigate the sometimes rocky landscape, including understanding money beliefs and associations; fundamentals of trust beneficiary communications, designing family meetings, drafting family mission statements, ethical considerations, and other tools for advisors working with financial families.

 CPE/Legal Ethics Credit available.

JOLINE GODFREY, Author

SUSAN P. ROUNDS, Director

## **CHARITABLE** **Audits, Appeals and Litigation over Charitable and Exempt Organizations**

Explore the dynamic and ever-changing landscape of audits, appeals and litigation of charitable and exempt organizations. Learn what to do and not to do during an audit, how to work through the appeals process, and how to protect your client through a litigated process. Federal and State tax reporting issues will also be covered.

ALICIA BERRY, Deputy Attorney General

DOUGLAS MANCINO, Attorney

## **COMPLIANCE** **You Have a Foreign Client, Now What?**

Planning for a non-US client can feel as foreign as another planet. Different sets of tax rules govern non-resident aliens (NRAs) and there are plenty of traps for the unwary. Tax Reform made it even more complicated but also presents many planning opportunities. Knowing the basics will help you issue spot and potentially bring significant value to your NRA clients. This session will give you a primer on the fundamentals for US-planning for NRAs and help you avoid the most common planning mistakes.

ALVINA H. LO, Chief Wealth Strategist

4:50 pm – 5:00 pm

**Questions and Answers**

**THURSDAY**, November 8

7:00 am – 8:00 am

**Continental Breakfast**

8:00 am – 9:00 am

**Pulse of the Presidency and United States Congress; An In-Depth Review of the Individual Income Tax Changes Under the Trump Tax Cut and Jobs Act and its Aftermath**

Just when you thought a tax postcard was in your future, the individual tax system has been simplified for some and exceptionally complicated for others. As dreams of a tax filing postcard have been turned into a curious reality of a redesigned 1040 pamphlet, the 2017 TCJA's strange brew of random individual income and closely

held business tax provisions gave way to waves of regulations (and threats of regulations), new forms and changes to forms in 2018 that will ensure a “new normal” for filing season 2019 and beyond. This session will focus on the income tax provisions of the TCJA’s most dramatically impacting individuals (and estates and trusts) so you can determine for yourself whether you should lean in and embrace change, change careers, expatriate, or seek psychological counselling.

DAVID H. KIRK, Partner

**9:00 am – 9:15 am**

**Questions and Answers**

**9:15 am – 10:00 am**

**The Changing Tide of Our Wealth Transfer Practice: Insights from Where We Have Been to Where We Are Going**

This session promises to deliver the realities of what is happening to our wealth transfer practice, the practical issues all wealth transfer advisors will be encountering as things change, and what can occur as things continue to evolve. Learn about how the new tax act affects the use of marital, bypass and administrative trusts, dynastic planning, gifting, valuations, and much more. Also understand how technology continues to evolve in our wealth transfer practice.

MICHAEL J. JONES, CPA

ANDREW M. KATZENSTEIN, Attorney

BRYAN D. KIRK, Managing Director

**10:00 am – 10:15 am**

**Questions and Answers**

**10:15 am – 10:45 am**

**Mahalo Desserts of Hawaii**

**10:45 am – 11:45 am**

**The Future Is Here: Dealing with Bitcoins and Crypto Currencies in Your Wealth Transfer Strategies**

Learn how Bitcoin and other cryptocurrencies are created and how the technology which supports them potentially affects the future of many industries. This session will focus on the basics of block chain, bitcoin and cryptocurrency, the resulting tax, valuation and other issues, and how to plan with this special type of asset for wealth transfer and management purposes.

JON D. FELDHAMMER, Attorney

J. DAX HANSEN, Attorney

SUZANNE BROWN WALSH, Attorney

**11:45 am – 12:00 pm**

**Questions and Answers**

**12:00 pm – 1:00 pm**

**The Future for Our Elders; Protecting, Planning and Caring about Our Elders**

There is a movement across the country among wealth transfer advisors to expand their practices to provide a more comprehensive, holistic, approach to long term care planning for their elderly, chronically ill clients called “Life Care Planning”. Life Care Planning is a team approach, combining the skills of wealth transfer advisors, geriatric nurses and geriatric social workers to help their elderly clients (and their families) prepare for, find, get and pay for good quality, long term care. This team approach involves working through continuums of capacity assessment, determining appropriate living arrangements, locating resources (both private and public) to pay for care, and legal planning with both enhanced estate planning documents and advocacy. The Life Care Plan is developed, implemented and monitored throughout the balance of the client’s lifetime.

LAURIE T.S. ADAMSHICK, Attorney

KIMBERLY ONG, RN

THOMAS A. RULON, Attorney