



Toxic Succession Planning

How Planning Ahead Mitigates Environmental
Cleanup Liability Risk for Successors

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Press Release

FOR IMMEDIATE RELEASE

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Toxic Succession - How Failing to Plan for the Passing of Contaminated Real Property Can Devastate Heirs, Estates and Business Valuations

A new white paper identifies an important phenomenon it calls *toxic succession*, advocating up front planning during the business and estate succession process to mitigate potentially disastrous environmental cleanup consequences for heirs, beneficiaries and business partners.

Newport Beach, CA – Campaign 5000, pushing forward on its mission to educate financial, legal, accounting, wealth management and estate planning professionals on the hazards of toxic succession – the passing of contaminated real property at death to heirs, beneficiaries and business partners, announces the release of a white paper on this important topic. Since the widespread failure of many professionals to address potential environmental contamination issues in the succession planning process can severely impact the financial affairs of trusts, estates and businesses where contaminated sites are involved, outreach efforts to educate professionals on this vital issue are critical. Campaign 5000, the thought leader in business and estate toxic succession issues, connects industry professionals and raises awareness concerning how to mitigate inherited environmental contamination concerns.

Legal responsibility for potentially catastrophic environmental cleanup liabilities lies with the property's current owner, regardless of who caused the contamination. Heirs, beneficiaries, business partners, and companies can thus be held fully accountable for all environmental cleanup when they acquire a property through probate, trust or business succession, making it essential to plan for toxic succession issues before they arise. This includes proper up front toxic succession planning, as well as preparing to address site contamination issues that may arise during the estate administration phase. Hidden environmental cleanup liabilities can sometimes be more costly than the value of the property itself, making toxic succession impacts potentially devastating.

The white paper authored by attorneys Kevin Daehnke and Marshal Oldman, "Toxic Succession Planning: How Planning Ahead Mitigates Environmental Cleanup Liability Risk for Successors," provides insight into:

- Identifying and understanding the potential scope of a toxic succession problem
- Developing a strategy with the client's existing financial and legal advisors
- Minimizing environmental cleanup liability and inequities for heirs and successors
- Maximizing the value of any contaminated real property assets of the estate

Serious disputes and litigation often arise between business partners, family members and friends because of the significant environmental cleanup liabilities they can inherit, often straining long-standing relationships. Impaired estate values due to site contamination can also severely impact charitable gifts, and the personal liabilities of trustees or beneficiaries resulting from toxic succession can extend beyond property values or the resources of a family trust or estate.

"In my 40 years of practice, I have seen numerous situations where trustees and beneficiaries of a trust or estate inherit sometimes catastrophic environmental cleanup liabilities. Financial and legal professionals need to be aware of the hazards of toxic succession," says Marshal Oldman, Senior Partner of Oldman, Cooley, Sallus, Birnberg, and Coleman, LLP, and co-author of the white paper.

"The potentially serious consequences of failing to plan for the passing of contaminated real property at death are often avoidable," says Kevin Daehnke, co-author of the white paper, and Senior Partner at Daehnke Cruz Law Group,

LLP. “As environmental attorneys working closely with estate and business succession professionals, we have developed numerous strategies which minimize the toxic succession risks faced by heirs, beneficiaries, successors and trustees. We want to share our knowledge with other professionals, helping them become aware of and identify potential contamination issues while advising clients.”

The White Paper, “Toxic Succession Planning: How Planning Ahead Mitigates Environmental Cleanup Liability Risk for Successors” is available for download at <http://www.MBCStrategic.com/toxic-succession>.

For more information, please visit <http://mbcstrategic.com/toxic-succession/> and for interviews, contact MBC Strategic at (310) 445-3333, or press@mbcstrategic.com.

ABOUT CAMPAIGN 5000

Campaign 5000 is a multi-disciplinary effort to raise awareness and spark widespread discussion concerning the importance of toxic succession planning for businesses, trusts and estates. Spearheaded initially by a handful of professionals intimately connected with the issue, Campaign 5000 strives to rectify the lack of information and mindfulness on the topic of toxic succession by partnering with as many accountants, lawyers, trusts, wealth managers, and succession planning professionals as possible. The Campaign 5000 outreach seeks to ensure that identifying and addressing potential site contamination issues becomes a regular part of every thoughtful estate or business succession planning effort.

Testimonials

“As a senior environmental risk underwriter and environmental broker, I am one hundred percent (100%) behind the Toxic Succession education and outreach efforts being undertaken by Campaign 5000. In my area of expertise, I encounter numerous situations where inadequate up front post-death toxic succession planning leads to serious consequences for heirs, beneficiaries (including charitable organizations) and successor business owners. I am also particularly aware of the serious consequences these contamination issues can produce for trustees and other fiduciaries, who may be left “holding the bag” for contamination issues if they are not properly protected.”

Canaan Crouch

Former Vice President, SullivanCurtisMonroe
Assistant Vice President and Northwestern Regional Manager, ACE Environmental
Senior Environmental Underwriter, AIG

“As an environmental consultant, I have seen numerous situations over the years where the failure to plan for the passing of contaminated real property has resulted in horrific problems for the beneficiaries of a trust or estate. I wholly support this Campaign 5000 effort to inform financial and legal professionals of this issue so they can flag potential contamination issues and have them addressed during the succession planning process.”

Leo Rebele

Division Manager, Tetra Tech Engineering Company

“As a trusts and estates practitioner, I have encountered numerous situations where trustees and other fiduciaries of an estate have been sued – sometimes decades after the real property asset ceased to be part of the estate, and the results have been ugly. In many cases, this litigation might have been avoidable if proper planning had occurred at the outset. In my career I have found that most accountants, attorneys and other succession planning experts fail to include potential site contamination issues in their succession planning checklists. Because of this, I am a strong supporter of the Campaign 5000 educational outreach efforts”

Marshal Oldman

Founding Partner: Oldman Cooley
past President, Trusts and Estates Section of California State Bar
past President, State Board of Accountancy

“In the planned giving context, charitable organizations often avoid bequests that involve contaminated property. This approach is often not be necessary – especially in light of recent tax court rulings regarding set aside entities. This is just one method of up front planning for dealing with contaminated sites in the estate succession process. Most professionals are not aware that contamination problems can be such a huge issue for estate and business succession, and that solutions often exist. Campaign 5000 is an important outreach to provide this education.”

Marshal Oldman

Founding Partner: Oldman Cooley
past President, Trusts and Estates Section of California State Bar
past President, State Board of Accountancy

About the Campaign

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Contributors

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Kevin Daehnke is an environmental law attorney, specializing for more than thirty years in issues relating to the contamination of soil and groundwater resulting from business operations. Mr. Daehnke is credited with creating and securing passage of legislation which established the Bona Fide Ground Tenant tool for dealing with contaminated “Brownfield” sites. He is also known for spearheading the Campaign 5000 effort to educate legal, accounting and financial professionals on the need for up front toxic succession planning during the business and estate succession process. Mr. Daehnke has been appointed to serve on the executive committees of numerous legal, professional and trade association panels and committees, is a regular author for legal and environmental trade publications, has testified on Brownfields legislation before the Assembly Toxics Committee, and has given numerous speeches and presentations at legal and trade association panels and conferences. Mr. Daehnke is a founding partner of Daehnke Cruz Law Group, LLP.

Marshal Oldman

Senior Partner
Oldman, Cooley, Sallus, Birnberg, and Coleman, LLP
Encino, California

Marshal Oldman has practiced in the Trusts, Estates and Probate arena for four decades, establishing himself as one of the preeminent experts in the field. He has served as Chair of the Trusts and Estates sections of the Los Angeles County Bar Association and the California State Bar Association. He has helped draft legislation relating to probate, trusts and estate planning issues, and has testified on probate legislation before the Assembly Judiciary Committee. He is the author of numerous articles for various Bar journals, has given numerous speeches before the L.A. County Bar Probate Section and other organizations, and has served as an expert witness in probate, attorney fee, legal malpractice and federal estate tax matters. Mr. Oldman served as President of the State Board of Accountancy from 2011–2012. Mr. Oldman is a founding partner of Oldman, Cooley, Sallus, Birnberg and Coleman.