



## Family Offices

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Family offices are as unique as the families that they serve. In fact, the already broad definition of a family office continues to adapt, and a growing number of families are seeing the benefits of creating family offices to serve their needs.

In addition to supporting families currently operating family offices, we also regularly hear from families that have not yet created one. These families either had not previously heard of family offices or were not aware of all of the benefits they could obtain from having such an office. We have found that many such families may utilize a few of the elements of a family office, but they are not taking maximum advantage of a structure that allows for the collaboration of different service providers. These clients are increasingly interested and excited to hear how Vorys can provide legal support to the various elements of a well-run family office.

### When does a family need family office legal services?

As a family's needs and demands increase, the importance of gathering a team of professional advisors also increases. A legal support team is imperative to ensure that all of the various independent elements – from wealth planning and real estate services to business succession planning and charitable giving – are working together in the most effective and efficient manner. We can provide great value by helping ensure each of these disciplines work well together within the confines of laws and regulations, and that a single decision in one area does not unintentionally affect another.

### How does Vorys support family offices?

Vorys provides its family office legal services to successful, ultra-high-net-worth families and business owners. Our family office clients demand the most comprehensive and customizable solutions to address their legal needs in tax planning, trusts, asset protection, real estate, entity formation and philanthropy.

Our family office clients typically require an in-depth understanding of their unique and oftentimes complex needs. Because each family office is unique, Vorys creates a customized Family Office Legal Services Team

for each situation, depending upon each family's goals and objectives.

We provide legal counsel to these families and their entities across a variety of substantive areas. Our trust, estates and wealth transfer attorneys are experienced in the most tax-efficient ways to protect assets for current and multiple future generations.

Our commercial, real estate and corporate attorneys are also regularly a part of our customized teams serving our family office clients. Our work in this area is vast and involves entity formation or transition; mergers and acquisitions, sales or transfers of real estate assets and, in some cases, business operations; and entity governance.

The services we provide individual family offices are as unique as the entities themselves. Each of our clients has chosen a customized level of support across practice areas and disciplines. We work closely with our clients to choose the most effective approach to planning.

### **How does Vorys incorporate other advisors?**

Our clients benefit from a team of attorneys who communicate regularly to create and implement a single, comprehensive legal strategy. We also understand that our family office clients usually have a trove of trusted advisors servicing their multitude of needs. At Vorys, we focus on the legal services, but regularly work hand-in-hand with other advisors to efficiently and effectively meet our clients' needs. A solid communications plan that connects each of the providers is a must, and Vorys has participated in and led these efforts.

Because we have worked closely with a number of the most respected professional advisors in the communities in which we practice, we also have a lengthy list of referrals (such as high-net-worth financial planners, investment managers, investment bankers, financial advisers, accountants, valuation experts, real estate brokers, life insurance providers, business consultants, custodians and trustees) to whom we can introduce our clients if desired.

### **What disciplines comprise family office legal services?**

#### **Estate Planning**

Vorys provides a full range of estate planning, asset protection planning and lifetime giving services designed to achieve the personal, economic and tax planning goals of our clients. Our family office clients typically require advanced estate planning, including developing and implementing documents and plans that minimize the payment of gift, estate and generation-skipping transfer taxes. Our lawyers have years of experience and considerable knowledge involving the use of qualified personal residence trusts (QPRTs), irrevocable life insurance trusts (ILITs), intentionally defective grantor trusts (IDGTs), grantor retained annuity trusts (GRATs), spousal lifetime access trusts (SLAT), asset protection trusts, family limited partnerships (FLPs), family limited liability companies (FLLCs) and dynasty or generation-skipping trusts (GSTs).

## Business Organizations

We advise business organizations and their owners, boards and executives in all stages of the business life cycle, from selecting, structuring and creating an appropriate entity to raising equity and debt capital in order to support the entity's growth. Many family offices involve multiple legal entities and trusts to accomplish specific business and family objectives. We also address the overlay of the federal and state securities laws on the activities of many family offices, including identifying and structuring to achieve exemptions under various regulatory regimes and structuring entities to fit within such exceptions when available, as well as providing transactional and ongoing compliance advice. Our attorneys also commonly offer day-to-day general legal counseling in an efficient and cost-effective manner that provides our clients with our full range of experience and resources.

## Acquisitions, Divestitures and Investments

Many family offices are outgrowths of legacy business enterprises founded by the family or their ancestors. In some cases, the legacy business has gone public, has been sold or may be sold, creating extraordinary liquidity events for the family and reinvestment opportunities and challenges. In other cases, the family has chosen to build on the legacy business or enter into new businesses through acquisitions and new equity investments. Our corporate lawyers shepherd these kinds of transactions regularly, from venture investments, acquisitions and divestitures to public offerings and sophisticated recapitalizations and restructurings, working collaboratively with our estate planning and tax lawyers to identify and implement our clients' business, financial and personal objectives.

## Income Tax Planning

Many of our family office clients are particularly focused on income tax planning. Our federal and state tax lawyers support our family office clients in a wide spectrum of tax-related issues, including business planning; compensation; financing and equity transactions; international transactions; mergers, acquisitions, and divestitures; partnerships, LLCs, joint ventures, and S corporations; real estate; restructurings and workouts; sales and use tax planning, tax controversies; and venture capital.

## Business Succession Planning

Our corporate attorneys often assist our family office clients with business succession planning. We regularly advise family and closely held businesses on ways they can successfully implement inter-generational strategies to transfer wealth and control efficiently and effectively. This type of planning often requires the preparation of shareholders' agreements, limited liability company agreements and buy-sell agreements, which we regularly draft on behalf of our clients. We also provide creative and sensitive advice and assistance in addressing the legal issues involved in family cohesion and inter-family control and compensation issues.

## Commercial and Contract Matters

Inevitably, family offices and their constituents engage in a variety of commercial transactions, and these transactions often involve contracts. Our lawyers have experience in contract law in many disciplines and industries. Our attorneys learn our clients' expectations and desired outcomes, strategize with them on

methods to achieve advantageous contract terms, and help complete the contracting process expeditiously and with clarity. Our lawyers are skilled and practical negotiators. If conflicts and disputes arise, we help our clients with a thorough understanding of the merits of their position and the alternatives available to them.

### Real Estate and Environmental Services

Vorys' experienced real estate attorneys represent our firm's family office clients with the full range of real estate counsel. We regularly work with clients on issues and initiatives relating to their real estate assets. Our firm's depth in numbers and in experience enables us to provide timely and efficient service on all types of real estate-related transactions and issues. Whether assistance is needed with basic real estate transactions, real estate taxation matters, or investments that include expansive real estate development, our team has a wealth of experience.

### Private Foundations and Supporting Foundations

Many of our wealthiest clients have decided to create private foundations or supporting foundations, and we have long-standing foundation clients. For many of these clients, we assisted in the formation of the foundation and still represent the foundation on its day-to-day activities. These foundations face challenges that carry unique tax benefits and consequences, and our attorneys have decades of experience assisting these clients in a multitude of situations.

### Charitable Giving

Vorys has advised a number of clients on the creation and operation of endowments, donor-advised funds, charitable remainder trusts, charitable lead trusts, charitable gift annuities and other planned-giving vehicles. Our experience allows us to provide this counsel in a cost-effective and efficient manner. We also have advised individuals in connection with the structuring of large charitable contributions to tax-exempt organizations, including contributions involving naming rights.

### Human Resources and Employee Benefits

Many family offices eventually hire employees to oversee the day-to-day operations. In these instances, our firm advises and assists our clients in a variety of labor, employment and executive compensation matters. We keep abreast of changes in the law and developing trends so that our clients can be confident that their policies and day-to-day decisions are consistent with the law. We also help our clients to create, implement and amend employee benefit plans, and we represent them when litigation arises involving those plans. We counsel our clients on compliance with equal employment opportunity matters, wage and hour laws, the Americans with Disabilities Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, workers' compensation statutes, and other relevant federal and state statutes addressing workplace matters.

## Dispute Resolution

Even in the most well-adjusted families, disputes can arise. We have extensive experience addressing contests for control, minority owner oppression and exit transactions, running the gamut from quietly negotiated resolutions to intensely litigated issues resolved by judicial proceedings. Our approach is mindful of the particular sensitivities involved in family disputes, including the values of privacy and intrafamily fairness. We also have extensive experience with disputes involving trustees and other fiduciaries and beneficiaries. More generally, our expansive litigation practice has a wealth of experience fighting on behalf of a variety of individuals and entities, including tax-exempt organizations. In addition, we regularly help our clients navigate the path of IRS audits, and, when audits cannot be resolved through administrative processes, we have successfully represented our clients in federal court. We also represent our clients in state and local tax disputes involving everything from real property tax exemptions to sales and use tax exemptions.

## News

[News, 8.18.2022](#)

115 Vorys Attorneys Named to the 29th Edition of The Best Lawyers in America® List; 33 Vorys Attorneys Named to Best Lawyers: Ones to Watch in America List

[News, 7.12.2022](#)

Falk Named to the Leadership Cleveland Class of 2023

[2.28.2022](#)

Falk Named to *Crain's Cleveland Business* "Notables in Law" List