

Welcome to the Legenis eNewsletter February 2010 edition

In this months issue we feature the famous *James Brown Legacy*; The Motivating Donors Program and a story on the Priorities in Life.

If you have any questions regarding the information in this month's newsletter please don't hesitate to call or email us.

I hope you enjoy this month's articles.

Warmest regards,
Dr Robb Musgrave
CEO, Legenis

Legenis: Leaving a lasting legacy for families, foundations, corporations and non-profit communities by empowering them to do the right things, by doing things right.

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Article 1



James Brown's Legacy- "He may Feel Good", but there is a lot of Pain for the Soul Man's family.

By Katrina A. Goggins from Associated Press with AP writer Meg Kinnard

The life of a Soul Man was amazing but his lack of planning means a disaster for his family, his estate and his legacy.

The life of James Brown was full of dynamic performances and legendary

contractual tiffs. He was known as “the Godfather of Soul” and the “hardest working man in show business”. He is said to be one of the first to discover that being the successful soul man meant others had to pander to his peculiar back stage wishes.

James Brown’s estate was expected to be approximately \$50 million but it is unlikely any of that wealth will survive. His financial legacy could be to be worth much more if the estate is handled correctly, but given the values he lived by and the preponderance of heirs towards litigation this appears to be unlikely. He often recounted that he would make no provisions for his family or the 3 previous wives or any of the children from any marriage. “I had nothing in the beginning and that’s what they deserve”

After years of hearings in a protracted battle over how to parcel out James Brown's wealth, a South Carolina judge approved a settlement that gives nearly half of it to his charitable trust, about a quarter to his wife and young son, and the rest to Brown's adult children.

The settlement was a contrast to the instructions spelled out in Brown's will and trust after his death on Christmas Day 2006. Some of Brown's adult children contested the bequest, claiming their father's estate was mismanaged by trustees.

"I find that the settlement is just and reasonable and provides a just and reasonable result for the charitable beneficiaries," Judge Jack Early wrote. "From the perspective of the charitable beneficiaries, the risks of not approving the settlement agreement are substantial."

The late singer was notorious for having money problems, from owing the IRS millions to defaulting on loans. He was once sued by two of his daughters over royalty disputes. Since his death on Christmas Day 2006, there have been rampant rumours of buried money in his backyard and suitcases full of money and even court statements that at one time, he was being given \$100,000 to spend every month.

Now there are allegations that, at best, Mr. Brown should have watched his financial advisers more carefully. At worst, he was robbed.

Two special administrators appointed by the court to oversee the mess say they believe at least one of the three men who'd been entrusted to handle Mr. Brown's financial affairs may have misappropriated millions of the singer's money - allegations they essentially refused to discuss when put on the stand at court hearings.

Even after death, Mr. Brown is still making money, thanks to a rich catalogue of music and frequent samplings by other artists.

Some of the soul singer's possessions were auctioned for \$850,000, partly to pay debt. Attorneys have said the soul singer's accounts have little money in them. The future income — from movies, royalties and the sale of Brown's likeness — is what's really at stake, attorneys have said.

The settlement establishes that Tomi Rae Hynie Brown is the surviving spouse of the Godfather of Soul and her son is James Brown's child. James Brown II will not be required to take a DNA test. Some dozen applications for paternity had been filed against the estate from all around the US. These were dismissed in the final Estate settlement.

"I am so relieved and happy that the court has approved this settlement," Brown's widow said in a statement to the AP. "I want to be able to work with the trustees and other Brown family members to promote James Brown's legacy. My son James and I are grateful to the judge and hope this nightmare is finally over."

For over three years, as thousands attended public memorial services, the legal rifts surrounding his estate formed. It even took a couple of months for Brown to be buried, his body at one point resting in a sealed gold casket inside his South Carolina home. The argument being between the heirs and former wives of James Brown as to who owned or had control of the remains was under contest during this period.

Comment:

James Brown was an exceptionally talented performer and a great survivor having first found fame in the mid 1950's until his death on Christmas Day 2006 at the age of 73. But who can say if he was a great man. His legacy is crippled in ways that he must have known were avoidable, but he did not take the time and the care to address the issues.

The result is a real mess to the extent he could not even get a decent burial, spending months in the sealed casket in his home. He left a mess in his own house both before and after his death that has and will take a lot of money, mostly going to lawyers who he never knew and advisers who took advantage of him and his extended family. That damage does not include the emotional stress inflicted on all the people who loved him. What have they learned from his legacy?

A brilliant musician revered by millions for his gift, but a very flawed personality probably hated by the ones who loved him the most. While no one can help James Brown with his legacy it does show what can happen if estate and succession issues are not discussed during someone's lifetime. Afterwards it is much too late.



Dr Robb Musgrave MBA, PhD is the CEO of Legenis. Legenis is committed to assisting individuals create living legacies. Dr Robb can be contacted on +61 7 3395 1213 or email: robb@legenis.com.

Article 2

Are you involved in a charity or know of a charity that could benefit from the \$600 Billion Planned Giving Opportunity?

“Be the change that you want to see in the world” Mahatma Ghandi

Charities in particular, stand to benefit from a platinum era in giving. In this country \$600 Billion will be transferred to and from the Baby Boomer generation and of that upwards of \$90 Billion will be donated to charities.

We all have a choice between voluntary philanthropy and involuntary philanthropy and that paying estate and capital gains tax are optional. Tax minimisation through charitable vehicles is not only legal, but our tax system actually encourages it through tax incentives.

Legenis can assist charities in taking their planned giving program to the next level by educating and motivating donors. Please contact Juanita for further information 1300 30 21 91 or email: juanita.mottram@legenis.com

Article 3



The Mayonnaise Jar and Two Cups of Coffee

A professor stood before his philosophy class and had some items in front of him. When the class began, wordlessly, he picked up a very large and empty mayonnaise jar and proceeded to fill it with golf balls.

He then asked the students if the jar was full. They agreed that it was.

The professor then picked up a box of pebbles and poured them into the jar. He shook the jar lightly. The pebbles rolled into the open areas between the golf balls.

He then asked the students again if the jar was full. They agreed it was. The professor next picked up a box of sand and poured it into the jar. Of course, the sand filled up everything else. He asked once more if the jar was full. The students responded with a unanimous 'YES'.

The professor then produced two cups of coffee from under the table and poured the entire contents into the jar, effectively filling the empty space between the sand. The students laughed.

'Now', said the professor, as the laughter subsided, 'I want you to recognise that this jar represents your life. The golf balls are the important things - family, children, health, friends, and favourite passions - things that if everything else was lost and only they remained, your life would still be full. The pebbles are the other things that matter like your job, house and car.

The sand is everything else, the small stuff.

'If you put the sand into the jar first', he continued, 'there is no room for the pebbles or the golf balls. The same goes for life. If you spend all your time and energy on the small stuff, you will never have room for the things that are important to you'.

So...Pay attention to the things that are critical to your happiness. Play with your children... Take time to get medical checkups. Take your partner out to dinner. There will always be time to clean the house and fix the disposal.

'Take care of the golf balls first -- the things that really matter. Set your priorities. The rest is just sand'.

One of the students raised her hand and inquired what the coffee represented. The professor smiled. 'I'm glad you asked. It just goes to show you that no matter how full your life may seem, there's always room for a couple of cups of coffee with a friend.'

Article 4

IMPORTANT DEADLINE

Establishing and the administration of Family and Corporate Foundations (PAF) can be a complicated process including Trust Deeds; DGR Status processes and ongoing adherence to Australian Government Guidelines.

The end of the financial year is looming and for foundations to be guaranteed to be in place the administration deadline for submissions will be the 1st of April 2010. Foundation applications submitted after that time may not be through the ATO process before the 30th of June.

If you are interested or have clients who are interested in taking advantage of the tax benefits available of a establishing a family or corporate foundation, now is the time for discussions.

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Legenis Pty Ltd

PO Box 88 Coorparoo Qld 4151 Australia **ABN** 20 115 007 246

Phone 1300 302 191 / 61 7 3395 1213 Fax 61 7 3324 8122

Email info@legenis.com