

Sound Advice

Great Estate Planning Failures



The Canadian football season has once again returned, and for every team, especially our beloved Saskatchewan Roughriders, the promise of a championship is the driving ambition. While we are all cheering for another Grey Cup appearance for our favourite team, I want to share with you the story of another football franchise, and how one of its original owners failed to keep it in the family.

Joe Robbie was a successful businessman, an attorney and an avid sports fan. He and television personality, Danny Thomas, co-founded the Miami Dolphins, a franchise that turned into one of the highest profile and most lucrative teams in the National Football League. Coach Don Shula led the Dolphins to two consecutive Super Bowl Championships in 1973 and 1974, and it was with this team that quarterback, Dan Marino, carved out his enviable passing record. The Miami Dolphins had a 14 and 0 winning record for all of 1972, a record that is still being chased by other NFL teams. In addition to owning the team, the team played at Joe Robbie Stadium, the first outdoor stadium to be built completely with private financing. So, as you can see, Joe Robbie created a very successful family business, and dreamed of having his business pass on to his family.

Unfortunately, that never happened. He simply never did any estate planning, and all

that he ever did was leave his franchise to his wife. Joe Robbie died January 7th, 1990, and his wife soon after. In 1994, the family sold the team at a significant discount to pay the tax bill, estimated at \$47 million. His nine children were at odds with each other, and Uncle Sam was not about to wait for his money. It is estimated the family could have received twice the value for the business, if they were not forced to sell it to pay taxes.

What could have been done differently?

If Joe Robbie had planned his estate, he could have accessed available planning options to minimize and defer the tax bill. He could have funded all the taxes through a joint last-to-die insurance policy with his wife. He certainly had the money to do that, if he had acted soon enough. Instead, he did nothing. The result -- United States Internal Revenue Services collected a windfall. **Joe Robbie fumbled the football.**

As a Chartered Life Underwriter (CLU), it is my goal to assist my clients to plan their own estates, helping them maximize the value of their gifts to family and charity, and minimize and eliminate their "gifts" to the Canada Revenue Agency. Please call me if I can assist you or your family in this area.



THE TYLER GROUP Financial Services

2330 McIntyre Street, Regina, SK S4P 2S2

Phone: (306) 525.5250

Toll Free: 1 (877) 225.5250

Fax: (306) 585.6117

Toll Free Fax: 1 (877) 255.0122

Email: info@thetylergroup.ca

www.thetylergroup.ca

At **THE TYLER GROUP** we accept new clients on a referral basis. If you know a colleague, friend, or family member who could benefit from our advice, please call us.