

Sound Advice

Famous Estate Planning Failures

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Elvis Presley

1935 – 1977

The Elvis Presley Estate is a prime example of estate planning failures. Elvis' estate of approximately ten million dollars was ultimately reduced by 73% payable to taxes, probate and other settlement costs, the result of poor estate planning. If his will had employed the use of a trust, these costs would have been largely eliminated.

While Presley's estate failed the test of planning, it did produce an unexpected outcome. Indeed, Presley's legacy may turn out to be that he earned far more dead than alive.

Initially, Elvis' father, Vernon, served as executor of the ever dwindling estate. At the time, Graceland, the Presley home, cost \$500,000 per year to maintain. In 1979, Elvis' ex-wife, Priscilla, assumed executorship of the estate. By this point, his daughter Lisa Marie's trust had now declined to only \$1 million. Faced with having to sell Graceland, Priscilla examined the fate of other famous houses and museums. After seeing what had been done with these heritage properties, Priscilla hired a CEO, Jack Soden, to turn Graceland into a money mak-

ing venture. Priscilla's gamble paid off. Graceland opened to the public in June 1982 and within one month earned back all the money invested in its startup costs.

Presley's daughter, Lisa Marie, turned out to be a very capable business woman herself. In 2005, she sold 85% of the estate's business to a media company, excluding Graceland itself.

Since its opening, Graceland has seen a steady troupe of visitors numbering between 500,000 and 700,000 per year. In the most recent year Graceland earned a reported \$22 million and received 600,000 visitors. Had Elvis lived to see it all, he would have been 75 years old on January 8th, 2010.



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