

## Gresham Partners, LLC

### Replacing a corporate co-trustee with another corporate trustee

#### Objectives

A family has multiple trusts with family members and a bank serving as co-trustees. The bank is not performing up to expectations, so the beneficiaries and family co-trustees want to remove the bank and replace it with another corporate co-trustee. The trust requires a corporate co-trustee.

1. How can the corporate co-trustee be replaced in the most efficient manner to avoid unnecessary costs and delays?
2. The bank manages some of the trust assets, so how can the change in co-trustee be structured to minimize the risk it will adversely impact investment performance?
3. What banks or other corporate trustees should the family consider?
4. How should the successor co-trustee be selected?
5. What roles, responsibilities, fees and other arrangements for the successor co-trustee are appropriate and how should they be documented and monitored?



#### Solution

Our advisors document the reasons for a co-trustee change and the desired characteristics of a successor corporate co-trustee, advise the family regarding successors to be considered, and manage a request-for-proposal process that leads to the family's selection of a successor co-trustee. We then assist with the development and execution of a memorandum of understanding that describes the co-trustees' roles, responsibilities, fees and other arrangements. Working with the successor co-trustee and the family's attorney, the advisors develop a plan-of-action for removing and replacing the current corporate co-trustee, and then the advisors help with and oversee the execution of that plan. A key aspect of the plan is helping the family trustees and beneficiaries understand their roles and responsibilities. Throughout this process, the advisors are alert to estate planning strategies that may offer opportunities to reduce transfer taxes and/or improve the administration of the trusts.

#### Summary of Services Provided

- [Improving the administration of family trusts](#)
- [Guiding the removal and replacement of trustees](#)
- [Educating trustees and beneficiaries](#)

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