

Estate Planning: Lessons Learned From George Lucas

George Lucas, most known for creating the Star Wars and Indiana Jones franchises, sold his LucasFilm company to Disney for over four billion dollars on October 30th 2012. LucasFilm owns the future movie rights for these franchises and as part of the announcement of the deal there was news of Star Wars Episode Seven moving forward with production. Lucas' movie company was founded and solely owned by him since its creation. Many people in the entertainment industry were surprised by the timing and price of the sale, but from an estate planning perspective it makes sense.

George Lucas like many other wealthy individuals in the spotlight such as Bill Gates and Warren Buffett has publicly pledged to donate most of his money to charity. Selling his movie company now allows Lucas to cash out his biggest asset and direct it towards his charities of choice including his own charity, George Lucas Educational Foundation, which focuses on improving education. Gifts and donations to charity are exempt from lifetime gift taxes and from death estate tax and can be an effective estate planning tool. There are also capital gains considerations that come as a result of the sale that may be optimal in the current year that may not be available later on. More importantly Lucas will be able to witness the effects of his generosity while he is still alive if he is able to make a large donation to charity as a result of the money received from the sale of his company. There was only so much that Lucas could give of his own company while he was still in control of it, but a complete sale frees up the ability to spread the wealth. Wealth is only valuable if it is able to be enjoyed and benefit others and not tied up.

Another important estate planning lesson is that Lucas had the opportunity to choose how his cinematic legacy would be carried forward. By selling to Disney Lucas was able to choose who and, most likely as part of negotiations of the sale, how his film franchises would be carried forward in the future. Lucas claimed he made to the sale to protect the franchises and leave them in the hands of a worthy and well funded successor. Lucas is of sound mind now and was able to make a clear decision at a time he was able to and not wait until a time he was no longer able to speak for himself or potentially leave the decision in the hands of someone else he did not personally select or trust. The legacy and direction of Star Wars and Indiana Jones was decided by George Lucas and not somebody else.

Evan Guthrie Law Firm is licensed to practice law throughout the state of South Carolina. The Evan Guthrie Law Firm practices in the areas of estate planning probate personal injury and divorce and family law. For further information visit his website at <http://www.ekglaw.com>. Evan Guthrie Law Firm 164 Market Street Suite 362 Charleston SC 29401 843-926-3813