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MICHAEL JACKSON'S ESTATE: WHAT HAPPENS NEXT?

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Music fans of all ages are mourning the loss of the King of Pop. Almost everyone I chatted with today had a story about the first time they heard “Thriller” or saw the video. I was in high school and stayed up to midnight to see “Thriller” on the VHS station late-night video program. We lived too far out in the sticks to have cable TV — so no MTV.

The question that has been raised repeatedly today is [what happens to Michael Jackson's estate?](#)

I suspect Michael Jackson had a strategic estate, wealth, and asset protection plan that included layers of trusts and business entities. I would be very surprised if any “major” assets were owned by Michael Jackson personally.

The largest asset is his 50% interest in the Sony/ATV music publishing catalog reportedly valued between \$500 Million and \$1 Billion dollars. A check of the Delaware Secretary of State shows the formal business entity for the publishing company is Sony/ATV Tunes, LLC a Delaware Limited Liability Company. I have not confirmed, but have it on a reliable source that Michael Jackson's interest in the LLC is held by a trust.

Most likely the asset is held in a “[spendthrift trust](#)” and shielded from creditors. In this type of trust, the beneficiary has no control over the distribution of trust income or assets and the corpus (big word for initial money/asset placed in the trust) and income is no longer in the estate of Michael Jackson and could not be attached to pay his [reported \\$500 million debt](#).

If the bulk of the assets are in trust, then the public may never know the extent of his estate. The trust documents, unless there is litigation surrounding those documents, would never become public record. Documents would only become public record if there is a probate of a will, will contest or other legal challenge regarding distribution of his estate.

There can be a plan in place and litigation still occur. [I blogged here](#) about the ongoing dispute among the heirs of James Brown and the challenges raised to his trust documents.