

The Baby-Boomer Generation: The Largest Succession of Wealth in History - *A New Frontier in Asset Recovery?*



Panel Members



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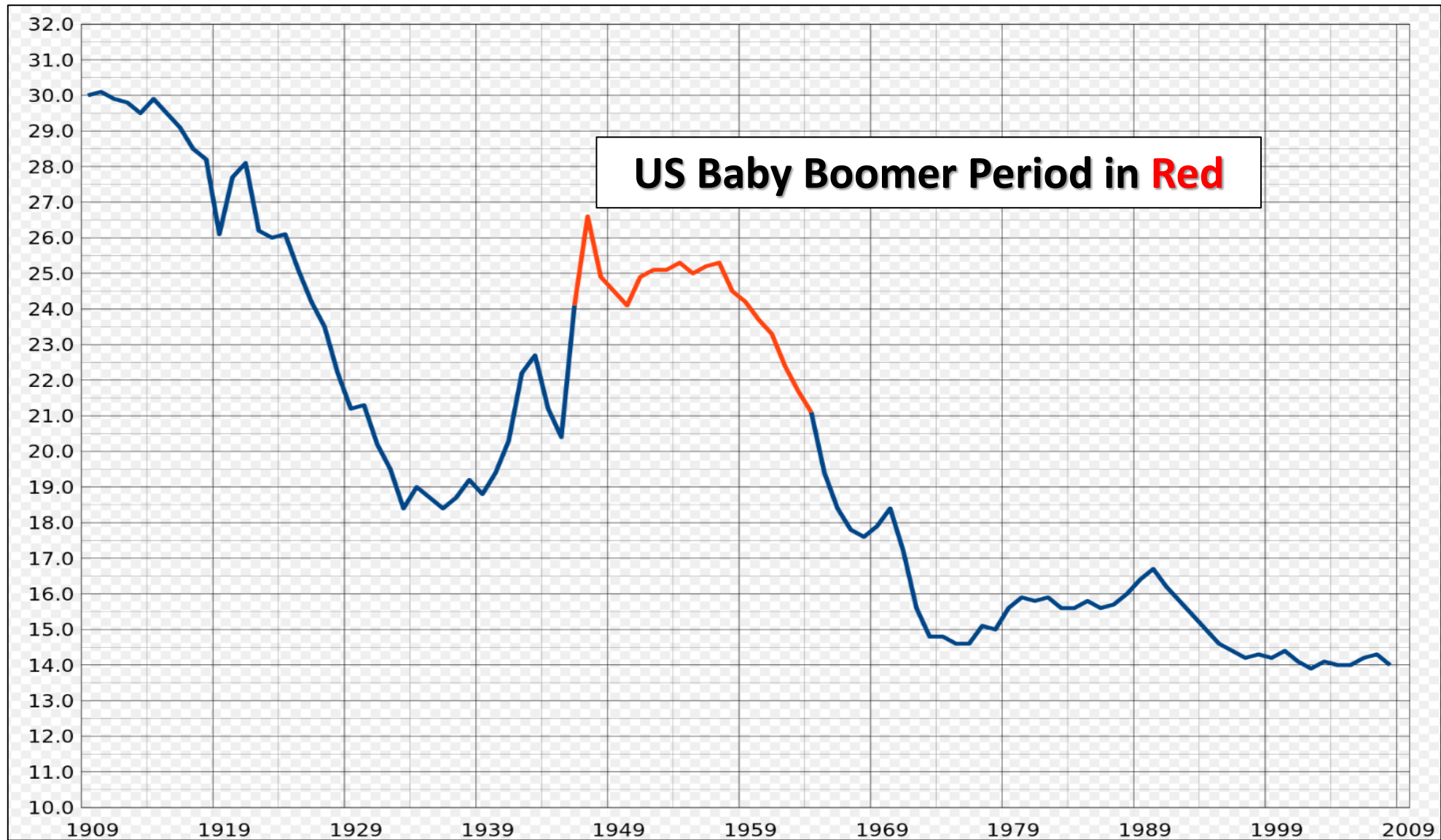


Rodrigo Callejas
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- The death of a loved one is naturally distressing.
- But when this grief is exacerbated by a family member's wrongdoing, the effects can be traumatic.
- One example of wrongdoing is when others exploit the vulnerability of the elderly in order to manipulate probate, or even steal assets.



- A 2020 paper by economists examined the wealth accumulated by different U.S. demographic cohorts using data from the Survey of Consumer Finances.
- They found that baby boomers have been able to acquire more wealth.
- Millennials have gotten poorer overall.
- Another survey found that nearly one third of baby-boomer multi-millionaires polled in the US, would prefer to pass on their inheritance to charities rather than pass it down to their children.

Bank of America - Merrill Lynch estimated in 2014:

- That the '[silver economy](#)' would be worth US\$15 trillion in 2020, up from US\$8 trillion ten years prior.
- This dramatic growth is due not just to baby boomers retiring *en masse*, but also to their spending habits.
- While previous generations generally preserved their wealth and passed it onto their children.
- Many baby boomers prefer to spend their money on their own long retirement.

- What these stats show is that the Baby-Boomer generation is passing on an enormous fortune.
- Falling victim to fraud when you are alive and kicking is common-place.
- Falling victim to fraud after death (when you are unable to defend your estate) is now an everyday occurrence.
- The victims of this hideous fraud are often the grieving relatives whose inheritance has been lost to a contemptable crook.

- The National Council on Aging estimates that elder financial abuse and fraud costs older Americans up to \$36.5 billion annually.
- This number is apt to continue to increase, as those 65 and older will make up 20 percent of the population by 2050.
- According to the National Center on Elder Abuse (NCEA), 57.9% of financial elder abuse perpetrators were family members and 16.9% were friends and neighbors.

People who may commit elder financial abuse include:

- Attorneys
- Bank and other financial institution employees
- Caregivers
- Doctors, nurses, and other health care providers
- Service providers
- Family, friends, and acquaintances
- Financial advisors and other financial service providers
- Neighbors
- Religious figures, such as pastors
- Strangers

Case Study

1. An elderly businessman dies in Guatemala leaving a \$1 billion fortune. The businessman had significant memory loss and diminished capacity issues upon death. He is survived by (a) a 25 year old wife who married him 6 months before death, (b) two sons and (c) the heirs of a third son who pre-deceased him.
2. Most of the wealth is held in a BVI company. At death, its shares were supposed to have been passed under the terms of a 1995 Will made in Guatemala to two sons, and what is now the estate to a 3rd deceased son in three equal parts.
3. However, one month before he died, the businessman signed a new Will purportedly leaving all of his assets to his eldest son. The rest of the family is unaware of the “new Will”. Also, the rest of the family is unaware that the 25-year-old “widow” of the late patriarch has been the mistress of the eldest son for 5 years. They remain very close.
4. Beneath the BVI holding company are layers of operating subsidiaries, including a valuable technology company in the United States.

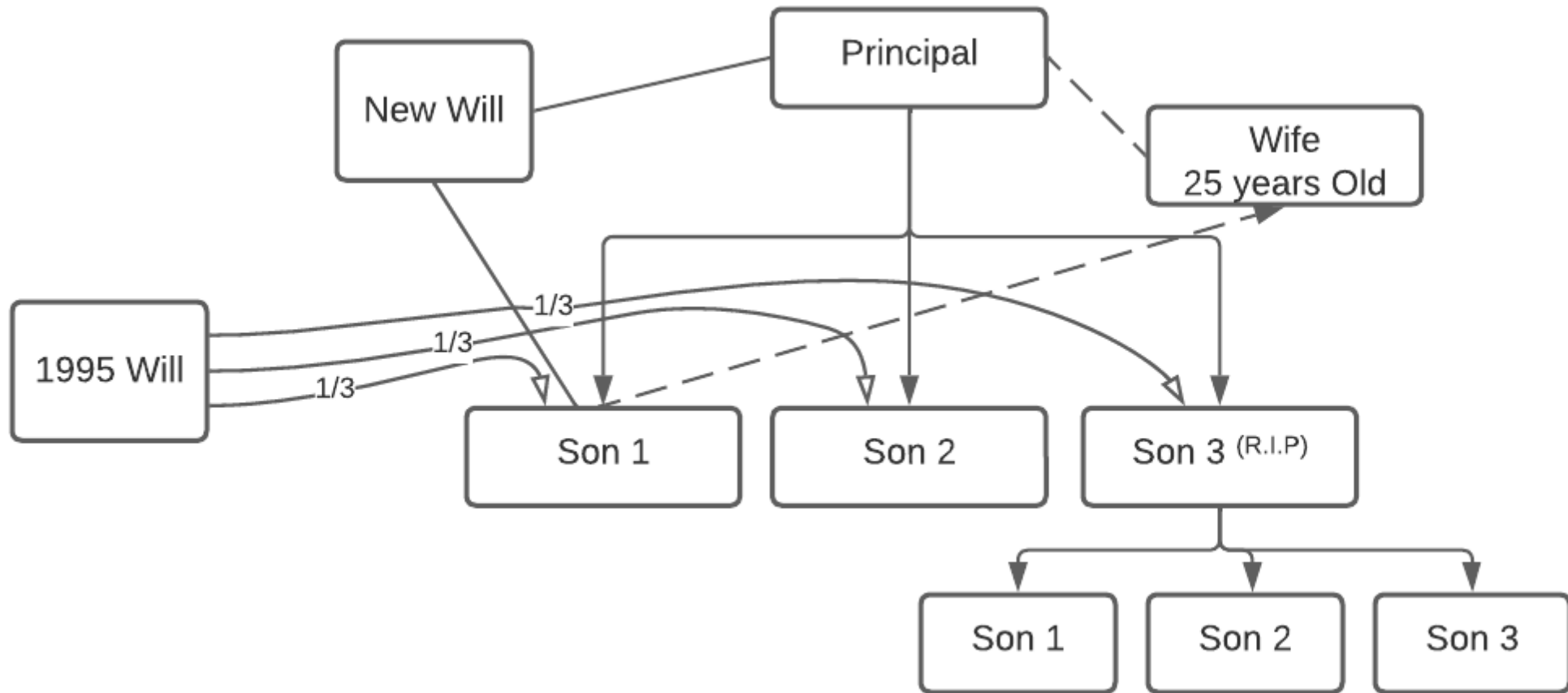
Case Study (contd.)

5. The youngest surviving sibling is concerned because the BVI structure is under the directorship of the eldest son.
6. The youngest son suspects that the older sibling is manipulating and diverting wealth during the period of uncertainty following their father's death. This suspicion arises from the fact that no formal recognition of the father's Will has been made in Guatemala months after his demise due to suspected delaying tactics by the older brother. This has delayed the formal estate administration process.
7. The younger son has managed to freeze several bank accounts of the deceased businessman in Guatemala. However most bank accounts remain active. The younger brother suspects his older sibling is using this time to divert and conceal wealth.

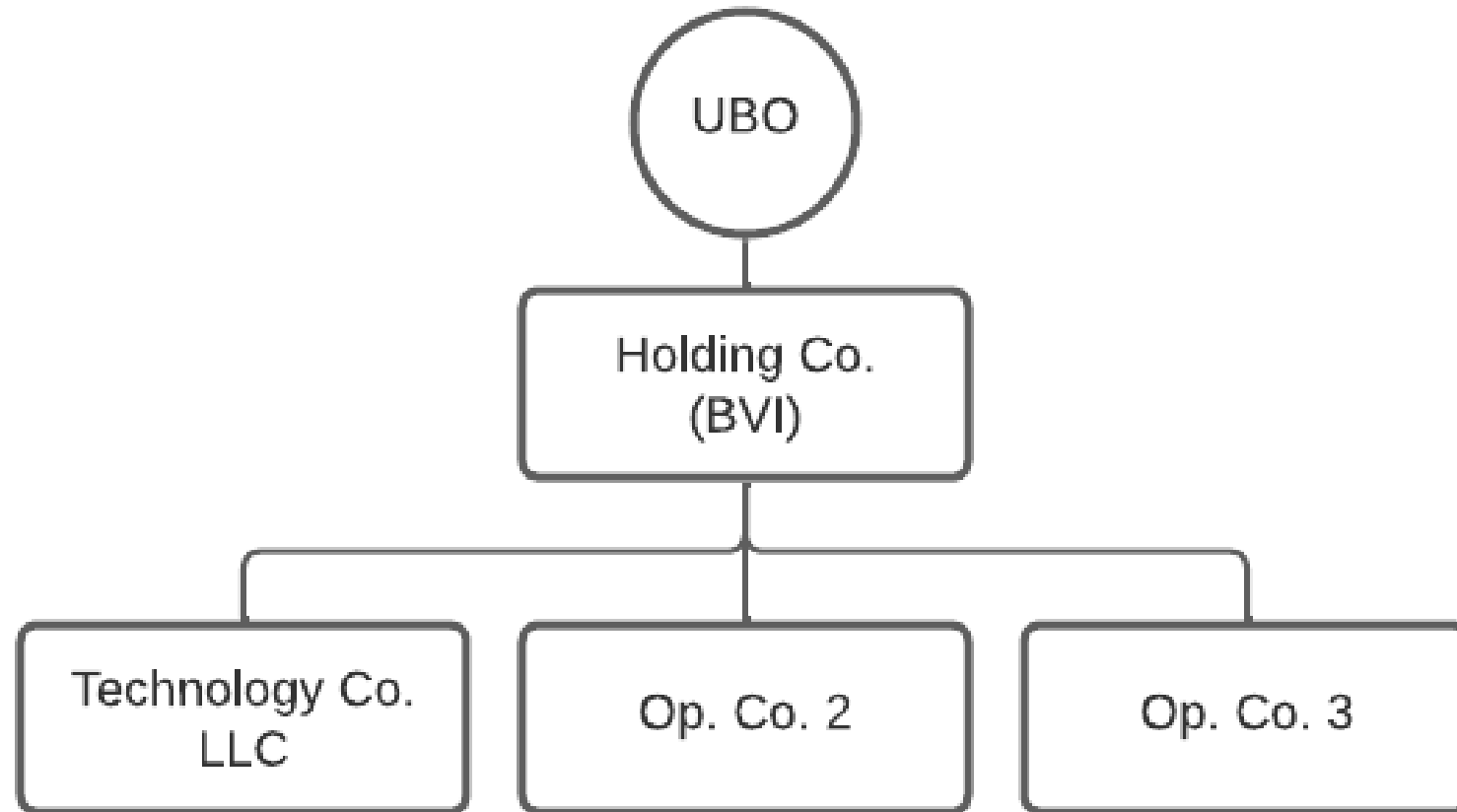
Case Study (contd.)

8. The older brother is notorious for his aggressive business practices, leading to the High Court in London censuring him for dishonesty and contempt of court relating to litigation he brought against a global bank. The bank won the case and was awarded more than \$400m. This legal skirmish provides collateral evidence of his dishonesty.
9. To complicate matters, the widow of the third deceased brother, is considered an ally of the older brother, and her children are also potential heirs to the estate.
10. We have been approached to advise the younger brother as to how best to preserve the wealth in Guatemala, the BVI and the United States where most of the \$1bn in tech wealth is located, before the older sibling can divert assets ahead of any formal investigation by a court of the validity of the Will purportedly signed one month before death.

Family



Business Structure





Rodrigo Callejas
Carrillo Asociados
Guatemala

1. Is this a usual scenario in Latin America?
2. How would forced heirship laws affect our hypothetical fact scenario?
3. What remedies are available to the younger brother in the hypothetical before Guatemala Courts to preserve assets and potentially challenge the recent suspiciously made Will of the deceased patriarch?



David Johnson
Fort Worth,
Texas, USA

1. What are the standards for undue influence?
2. What factors do courts look at in determining undue influence?
3. What do undue influencers look like?
4. What are some of the tools for “friendly” undue influencers?
5. What evidence should a party be on watch for to establish undue influence?
6. What are the standards for mental competence?



Dr. Alexander Stein
New York, USA

1. Why is this an important area for asset recovery professionals?
2. How are family business conflicts and high-net worth succession situations different from conventional commercial disputes?
3. What are some distinct challenges requiring different approaches, strategies, and resources to bring about successful outcomes?
4. What are key opportunities for asset recovery professionals and how can they be leveraged?

Questions?