

One of the most important decisions you will face when establishing a trust is the selection of a trustee. So what is a trustee exactly? A trustee is a responsible person or institution legally appointed and authorized to manage assets in trust for another person.

A trustee is not an honorary designation. A trustee is required by law to serve as a “fiduciary,” meaning they must at all times manage the trust in the best interest of the beneficiaries. When considering whom to appoint as your trustee, we recommend that you first assess whether or not that person or entity has enough time, expertise, interest and patience to successfully carry out your wishes. Trusteeship actually involves a range of duties that can be surprisingly complex, including:

- Asset and investment management
- Tax planning and legal compliance
- A thorough understanding of trust laws, regulations and practices
- Trust accounting
- Adherence to legally required notifications and reporting

Just as important as the above is the trustee’s ability to communicate effectively and without bias. Being able to diffuse a heated dispute among the trust beneficiaries or discreetly investigate the nature of an unusual request for funds should be part of the trustee’s job description.

Anyone appointed as trustee should also know they may be held personally liable for neglect of their fiduciary duty or mistakes and oversights in regard to the trust. For this reason and the others noted below, high-net-worth and ultra-high-net-worth individuals and families often choose to appoint a corporate trustee (i.e. a professional) to oversee their trust.

Corporate Trustee

- Experienced
- Internal advisory committees
- Succession is built in
- Continuity, transfer of knowledge
- Integrated experts and team support
- Unbiased
- Professional relationship
- Aware of changing laws, best practices

Individual Trustee

- Less likely to have trust experience
- Individual decision-making
- Uncertain backup if trustee unable to perform
- May need to hire outside experts, which can increase costs
- Possibly influenced by beneficiary/others
- Could stress or damage personal relationships
- Unfamiliarity with trust rules and best practices could expose individual to personal liability and the trust itself to a risk of loss.

The Role of Co-Trustees: An individual you know well and trust (e.g. family member, close friend, business associate, family attorney) can be designated as “**co-trustee**” to advise the corporate or professional trustee overseeing your trust, ensuring that your intent is carried out. Designating a co-trustee can combine the benefits of professional trust management with a personalized approach.



Trusts at LNW

As an LNW client, you benefit from access to two trust companies, either one of which can serve as corporate trustee depending on where the trust is based: The Laird Norton Wetherby Trust Company, chartered in Washington State and operating since 1967; and the LNW Trust Company of South Dakota, established in 2023.

In addition to serving as trustee, we can also provide strategic investment management for trust assets. The features that distinguish LNW trust services include:

- **Longevity.** We have operated as a trust company since 1967; we have deep experience in multi-generational wealth transfer and trust and estate planning.
- **Objectivity.** We do not work on commission or develop proprietary investment products to market to clients. This allows us to remain objective and independent in investing and managing trust assets.
- **Innovativeness.** Our investment solutions and strategies provide access to leading market opportunities in line with trust goals.
- **Responsiveness.** Our size and centralized trust administration allow us to be responsive and pro-active about trust management, avoiding delays caused by layers of decision makers.
- **Caring.** We are committed to carrying out the values, goals and objectives established by the grantor of the trust and provide continuity of administration over many generations.
- **Sensitivity.** We strive to promote family harmony by putting ourselves in the tough position of saying no to beneficiary requests when necessary.
- **Effectiveness.** Our professional expertise ensures proper trust administration and accounting in compliance with all federal and state requirements.



DISCLOSURE

LNW refers to Laird Norton Wetherby Trust Company, LLC, a State of Washington chartered trust company; LNW Trust Company of South Dakota, LLC, a state of South Dakota chartered trust company; and two investment advisers registered with the Securities and Exchange Commission, LNW Wealth Management, LLC and Laird Norton Wetherby Wealth Management, LLC.

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