

Private Wealth

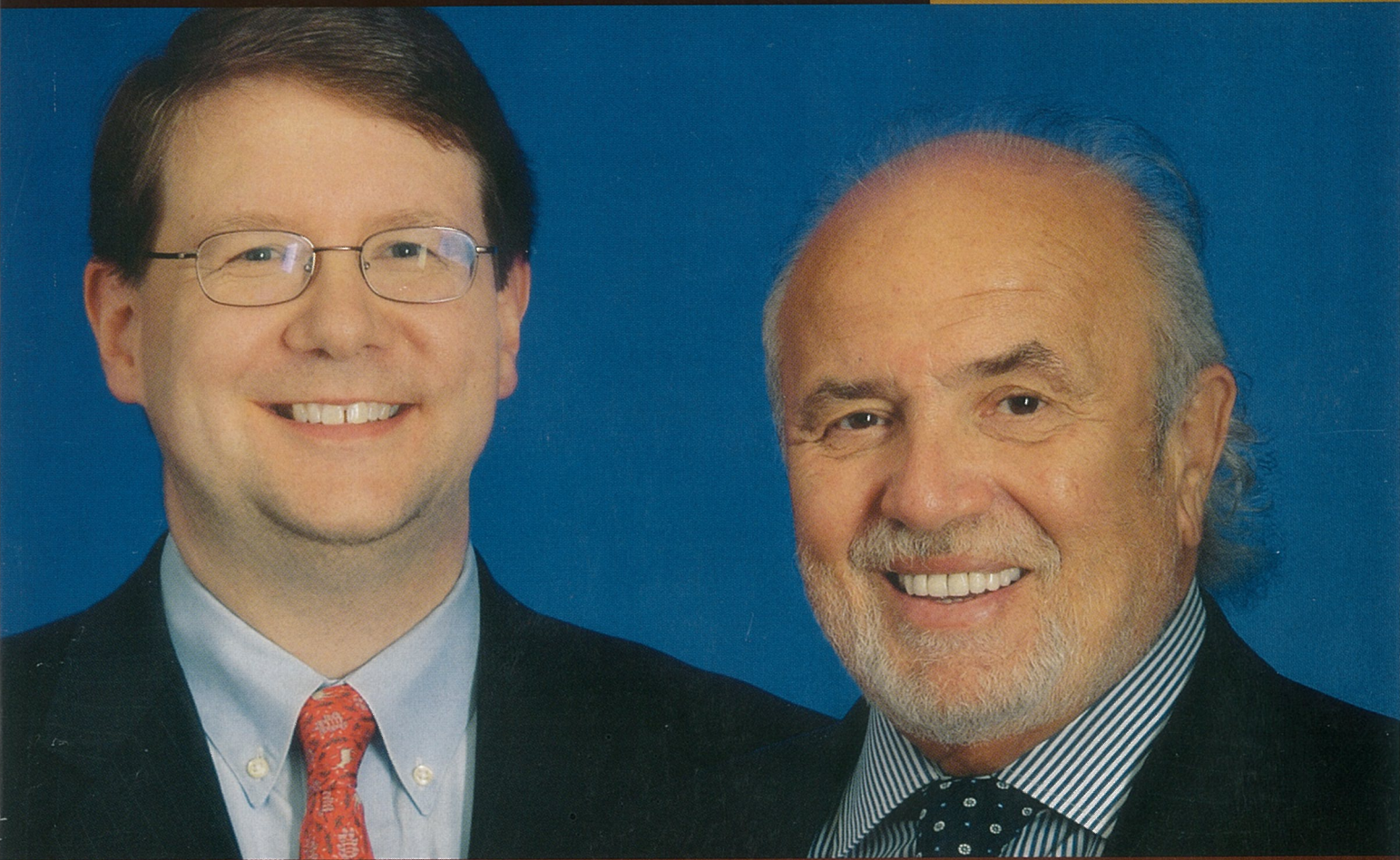
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ADVICE HAS LED TO LASTING RELATIONSHIPS WITH CLIENTS

GORDON FOWLER, MANAGING DIRECTOR AND CHIEF
INVESTMENT OFFICER, AND PRESIDENT AND CEO AL PISCOPO

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EXPERT POWER

The national reputations of Richard and Steve Oshins, girded by a team of strong young estate planners, poises Oshins & Associates for continued growth.

By Eric L. Reiner

While in the middle of a phone conversation, Steve Oshins pumped his fist. Oshins, a perpetually multi-tasking trusts and estates lawyer, had one eye glued to the Nevada State Legislature's Web site that morning last spring. It showed that the pioneering bill he'd authored had been signed into law by the governor. "When I hung up the phone, my celebration made Cuba Gooding Jr.'s celebration after his touchdown in the movie *Jerry Maguire* look tame," says Oshins.

Oshin's language in Senate Bill 350 created two new and unique estate planning tools: the Nevada restricted limited partnership and restricted limited liability company. Transferring an interest in one of these business entities to a family member, rather than an interest in a standard LLC or LP, can produce an additional transfer-tax valuation discount of between 10% and 35% beyond what may apply for other reasons, such as lack of control or marketability, Oshins says. "This law is the first of its kind," he says, beaming like a proud father.

This is the third progressive, client-friendly Nevada law penned by Oshins, 40. If you suspect that's good for business at Oshins & Associates LLC, the Las Vegas estate law boutique founded by his 67-year-old father Richard, you are right. "It definitely helps because it gives me instant credibility with potential clients as well as advisors," Steve says. "Almost all of our business comes from referrals, either from advisors or from current clients."

Drafting legislation is only one way in which the firm, comprising eight attorneys and nine support staff, continually lands what Richard calls "our share of the really good clients."

"Our clients are the equivalent of those at many of the bigger name law firms around the country, and it's basically from Steve and I doing a lot of speaking and writing," says Richard, a native of Long Island, N.Y., who came to appreciate a nice round of golf after relocating out west in the early 1970s. "That's how we can have the equivalent of a Wall Street practice and yet the quality of life of living in the suburbs of Las Vegas."

Richard is a long-time lecture circuit fixture whose first major article appeared more than 35 years ago in the *Journal of Taxation*. He sits on the advisory board of the revered New York University Institute on Federal Taxation, an annual conference that attracts tax professionals across the nation.

"Dick Oshins is astounding in his encyclopedic understanding of wide areas of the tax law and is constantly coming up with

creative ways of using the tax law for the ultra-wealthy. He's been known for that for years," says Steve Leimberg, CEO of Leimberg Information Services Inc., a tax news and analysis service. "There really isn't anybody major in the estate planning profession who doesn't know Dick Oshins. He's used as a sounding board by some of the brightest minds in the profession."

Son Steve started writing at a precocious professional age, snagging a Best Young Author award from *Trusts & Estates* magazine while in his 20s. Steve recalls, "I understood even back then how important marketing is and that an author is often considered an expert. Writing technical articles on advanced techniques, speaking on those techniques at national conferences and authoring laws are all ways to market oneself and, in my opinion, are the reason I have gotten so many billionaire clients over the years."

The biggest fish aren't necessarily the ones his father covets the most, however. "If you think about it, to a client worth a couple of billion dollars, what you do is almost insignificant, and there's probably somebody who's going to look over your shoulder," Richard says. "I like the client that is in the \$20 million to \$100 million range. If we can help them pass their business to their family, lower the tax bite and creditor-protect the assets, they are really very appreciative. I like it when I can see that I have improved a family's future."

At The Office

This isn't one of those stories where the son was destined from birth to work alongside the father, although while growing up, Steve, like the scion of many self-employed individuals, certainly spent time at his father's place of business. "When my kids were 12, 13 years old, they worked in the office so that they could see what I did," Richard recalls. In high school during the summers, Steve was the firm's runner. His duties expanded to

include computer work during breaks from college.

It wasn't until his last few weeks of law school that the father-son team was formally born. A large life carrier had offered Steve a job marketing estate planning techniques. But he decided not to take it and instead moved back to Vegas to work for Richard. "I figured that that would give me the better long-term prospects," Steve says. "Also, my father and I get along really well, so that made the choice very simple."

Richard adds that unlike some parent-child relationships, "there wasn't any friction between us when Steve was growing up. It's always been a very comfortable relationship."

When Steve arrived for work at Oshins & Associates in 1994 as a lawyer, he and Richard quickly discovered to their mutual delight that they had complementary work styles. Soon Steve was the firm's managing attorney. "He loves to do that," Richard says, "and I don't like to do that."

Wanted: A Solid No. 3

Over the next several years, the Oshins would occasionally hire another lawyer or two, but they wouldn't last. Things never

quite worked out. Growth seemed elusive. Then along came a young attorney named Heidi Freeman.

"Heidi was the one that allowed us to grow," says Steve. "It's difficult to grow when the first two lawyers have to review everything the third lawyer does. But once we finally found a third lawyer who was self-sufficient, it was possible for us to bring in enough additional business to need to hire a fourth lawyer." That was Kristen Simmons in 2004, whose performance fostered further growth and led to the 2005 hiring of Katie Colombo.

Today this triumvirate of 30-ish estate planners at Oshins & Associates—Freeman, Simmons and Colombo—each now with about five years of high-level experience, and each recently named by *Super Lawyers* magazine as a Mountain States Rising Star in estate planning and probate, oversees and trains the firm's newest attorneys. Steve says that's providing the firm with even more opportunity to build relationships and educate referral sources so that they can market to their clients.

"In the past I couldn't always give potential referral sources as much time as I would have liked," he says.



FRONT ROW (LEFT TO RIGHT) – HEIDI FREEMAN, STEVE OSHINS, RICHARD OSHINS, KRISTEN SIMMONS; BACK ROW (LEFT TO RIGHT) – RUSSEL GEIST, KRISTIN TYLER, KATIE COLUMBO, JEREMY SPACKMAN



Statehouse Influence

Steve Oshins, an estate planning attorney and member of Oshins & Associates LLC, has authored three Nevada laws in the last six years.

Steve's first law, enacted in 2003, made charging orders a judgment creditor's only means of accessing assets held in a Nevada limited partnership or limited liability company, enhancing the asset protection afforded by these entities. Then in 2005 he authored Nevada's dynasty trust law. It allows grantors to establish trusts that can enjoy protection from creditors, divorcing spouses and estate taxes for up to 365 years.

Steve chatted from his Las Vegas office recently about his latest bill and what it takes to influence policy.

PW: When an individual transfers an entity interest to family, Internal Revenue Code Section 2704(b) effectively limits valuation discounts based on the state's default law regarding entity distributions. In a nutshell, the less restrictive the state default law, the lower the potential discount. So in writing the new bill that created Nevada restricted entities, was it your strategy to make their default law the most restrictive, to allow the potentially largest valuation discounts?

Steve Oshins: Yes. The default law for a Nevada restricted LLC or LP is to not allow distributions to owners for 10 years, which is an arbitrary figure I made up because it is much more restrictive than the default law in any other state. Under every other state's default law, there is no such restriction on distributions. So the valuation discounts using a Nevada restricted entity are significantly higher than the discounts that can be obtained using any other state's law. Your readers can find a more detailed legal

discussion in some articles on this topic at www.oshins.com.

It's important to understand that 10 years isn't a requirement. It's a default that comes into play only when the articles of organization or certificate of limited partnership opts into the restricted LLC or LP and either is silent about restrictions on distributions or specifies a 10-year lock-up period. The draftsman can instead choose to lock up the restricted entity's assets for less than 10 years, or to lock up less than all of the assets, but of course that creates a smaller valuation discount.

PW: You've written three laws now, but the restricted entities law is different, isn't it?

Steve Oshins: With the other laws, I basically copied other states' versions and integrated their language into our statutes. This one I wrote from scratch because I was setting up a law that no other state has. So I was more excited when this one passed because it was groundbreaking.

PW: Exactly how does one go about writing laws?

Steve Oshins: It's a matter of going to the right people and also being taken seriously because of my reputation in the estate planning industry. And now that I have a track record in writing laws, it's much easier to find a sponsor for my proposals than it was in the past.

PW: Whom did you work with to get these laws enacted?

Steve Oshins: This time, the Business Law Section of the State Bar of Nevada. For the dynasty trust law I went through a senator who was introduced to me by the chairman of the board of a large bank, a client.

PW: What have you told the attorneys at your firm about restricted entities?

Steve Oshins: I told them they need to have 2704(b) down cold because I anticipate we'll be doing a lot of restricted entities starting October 1, when the law takes effect.

As The Firm Grows

Also fostering growth at the firm is the recent arrival of two prominent, veteran estate lawyers. Jeff Verdon moved from California to Nevada and joined the firm this summer, while Florida-based Jerry Hesch signed on as special senior tax counsel. The alliances are intended to swell the client roster and, indeed, Verdon brought in four large clients during his first three weeks.

The new restricted entity law could aid the firm's growth, although like every valuation discounting technique these days, it's vulnerable to being quashed by Washington. But as of October 1, the Silver State is the only place where you can get a restricted LP or LLC. Many attorneys from around the country who create Nevada restricted entities for their clients are likely to want a local lawyer to look over their documents. Oshins &

Associates, the de facto experts on the new law, ought to pick up a fair share of that review work.

As far as public speaking, Steve is traveling to fewer conferences these days. "Rather than fly all over the country like I used to, I'm doing phone seminars and using e-mail and our Web site to spread my articles to advisors and potential clients," he says.

Richard was recuperating from knee surgery as of this writing and was eager to get back to the podium, not to mention weekends at the golf course. After a lifetime in the industry, Richard's collegial circle reads like a *Who's Who* of the profession, and that's something he treasures.

"There's a real camaraderie between the people who speak on the circuit," Richard says. "Writing and speaking, although it brings in business, does another thing. It creates some great friendships." *PW*