



## Paul Klein

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### Your Art, Antiques and Collectibles after the Financial Fall

#### The Problem

You may very well be reeling from the effects of the financial turmoil the world is experiencing. As a collector with "silent" assets of art, antiques and/or collectibles (such as wine, coins, gems, cars, etc.) now is an opportune moment to consider maximizing the present and future course of your heartfelt collection.

Quite likely you have not focused on your art assets with your legal and financial advisors for myriad reasons; the primary being that when you began a serious dialog with your advisory team the planning process overlooked your highly valuable collection. These assets were probably lumped in the category of "other," at a great loss to you. This non-planning, or mistake planning, eliminated the opportunity for you to maximize these assets of passion.

The "conventional wisdom" that your kids will sort it out leads to the art being sold at auction and the proceeds used to pay estate taxes. Clearly this is a bad option. Why be a taxpayer when you can be a philanthropist? Without properly planning for your art you are likely to lose 70% of the value or your collection, while relinquishing even more of its aesthetic legacy.

Now is the time to engage an Art Succession Planner to guide you through the appropriate and necessary conversations to insure proper preparation. For example, is there anyone in your family or on your advisory team who would know if your estate is better off selling English furniture at an auction house in London, or at a dealer in Los Angeles, or at all? Get the point?

#### The Solution

With a solid Collection Management System, developing a history of the collection, including cost basis, how each piece was acquired, title concerns, fakes and forgeries, provenance or lack thereof and other issues, you will have viable and beneficial planning opportunities and options. Not only will you be able to have the proper documents created to substantially reduce taxation in the event of a sale, but understanding the collection's history is a prerequisite to developing present and future planning. And you will eliminate surprise estate planning with its resulting losses. Instead you increase the collection's value correspondingly.

Once your collection's history is thoroughly documented, you are in a position, in conjunction with your Art Succession Planning Team, to determine and discuss your intentions for your collection in accord with your emotional and financial needs. After all, you spent decades building a collection that reflects a part of your soul. Don't let that vision go to waste or be dissipated.

You, your advisors and your heirs, working hand in hand with good Art Succession Planners can design numerous options to substantially increase sales proceeds, reduce taxation and create a personalized and highly feasible legacy plan. You will benefit from the advice of experts who will protect your legacy from being compromised or sold in the future. Your family need never be in a position to see the artwork you donated deaccessioned by a museum due to a lack of endowment funds as is presently anticipated at Brandeis University's Rose Art Museum.

With today's unprecedented reduction in the value of all assets, including your art and collectible holdings, now is an exceptional time to make personalized plans with your advisors to reposition your collection to take advantage of the present art market. This economic downturn allows you options to secure an art legacy in multiple generations of your family at tremendous valuation discounts. The art market will come back. If you plan now, you will save a lot of money later.

Your collection is a legacy unto itself. It is important that you understand the options available to benefit you, your collection, and your heirs.

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