



VIEW*S* & VISIONS

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Demonstrating How 1+1 = 3

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Scott G. Cox is the managing director of sales for BNY Mellon Wealth Management in its western Pennsylvania region. In this role, he provides direct leadership for the region's new business development efforts.

Mr. Cox joined the firm in 2013 and has more than 19 years of experience in the financial services industry. Prior to joining BNY Mellon, he worked for Merrill Lynch in Orlando, Philadelphia, Cherry Hill and Akron. He held several roles including financial advisor, training coach, resident director, complex sales manager and complex director.

In Akron, Mr. Cox led a team of 110 financial advisors generating more than \$70 million in annual revenue. Most recently, he was a director in the practice management consulting group, which focused on developing the top 15 percent of financial advisors in Merrill Lynch.

Born and raised in Lexington, Kentucky, he earned a bachelor of business administration degree from Stetson University in Deland, Florida.

In this age of the internet and automation, commoditization is encroaching on most professions including banking, investing and the law. The latest trend in financial services, for example, is robo-advising, in which computer algorithms, instead of a professional adviser, drive a client's portfolio asset allocations and investment plan. On the legal side, a rising number of firms are also automating – even outsourcing – their routine legal work as well.

In light of this trend, wealth management businesses as well as law firms are increasingly focused on providing human, high-value, more specialized and complex expertise that machines or computers can't provide.

In this new reality, legal and wealth professionals who work as partners can demonstrate how 1+1=3. That is, when two organizations with different strengths and complementary expertise work together, they can deliver highly tailored and holistic service and solutions with a critical human touch.

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A primary area where this is most evident is in family governance. We at BNY Mellon Wealth Management think of it as family harmony and prosperity because estate planning is not just a legal or financial matter — it touches upon powerful family dynamics that encompass a range of emotions, loyalties and sometimes conflict common in so many families.

When legal experts and wealth planning professionals work seamlessly together they are



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better able to address these powerful, yet often unspoken, aspects of a client's legal and financial planning needs.

Take, for example, the case of 60-year-old wealth clients with a net worth of more than \$30 million. The couple had four children and six grandchildren. As they talked through their estate plan and will with their lawyer, they worried about how inherited wealth would spoil their grandchildren. Their legal team brought in our wealth management experts to structure trusts to ensure that the assets would continue to grow at a reasonable rate while also ensuring that the funds were distributed in a way that didn't overwhelm their survivors.

In another instance, a client's lawyers helped draw up trust documents for their children. The legal team conferred with us and mentioned that the client intended to name one of her sons as a trustee. Based on our long experience working with families, we noted that placing that kind of responsibility – and power – with one child would create tremendous tension between him and his siblings and saddle him with time-consuming responsibility.

We have found that the 'chosen' child often becomes alienated from siblings who resent his or her power to dictate when and how they can receive funds from a trust. For the 'chosen' sibling, family holidays could become ordeals instead of festive occasions.



Furthermore, serving as trustee with little to no experience is a serious burden on an individual who has his own family, career and financial matters to keep track of.

When we raised these issues with the client's legal team they immediately asked us to work with them to create an alternative structure and walk the client through the rationale for engaging a bank trustee.

Upon hearing our presentation, the client immediately recognized that she hadn't considered how her son or his siblings might feel about appointing him as trustee. The alternative we proposed made more sense to her and, ultimately, she asked us to serve as trustee instead. She was especially pleased that her law firm brought in expertise that helped simplify the process and ensured great continuity in managing her estate and other wealth planning needs.

This case is just one of many client scenarios we've come across where close cooperation between legal and wealth management experts, bringing their different professional and technical perspectives, can accomplish better results than what each set of experts alone could achieve. And, that amounts to a win all around. ▽

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