

# Shavano

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A publication exclusively for the residents of Shavano Park

## LIVING



Meet the  
**AUSTIN  
FAMILY**

Details of  
our NEXT  
Event on  
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Debbie Weber Photography

# Estate Planning Lessons *from the Queen of Soul*

*You gotta give estate planning a little respect for the sake of your heirs. When Aretha Franklin passed away in 2018, the singer's legacy followed a path trod by all too many iconic musicians before her, including Prince and Tom Petty. That legacy includes courtrooms, IRS debts, and plenty of confusion on who will inherit what.*

Tensions ran high among family members as the search for a will began. No formal will was found, but three separate drafts were discovered in Franklin's home six months after her death, with conflicting wishes handwritten and scribbled on notebooks reportedly stuffed under Franklin's couch cushions.

Recently, years of infighting based on those documents and additional IRS claims seemed to be winding down. In March 2020, Franklin's niece Sabrina Owens stepped down as the estate manager, complaining of being "worn down by family acrimony" since the confusing handwritten wills were discovered. One year later, by March 2021, Franklin's four sons reached an agreement with the IRS on paying down a \$7.8 million tax debt (which

is significant, given that Franklin's inventory holdings were calculated at \$6.7 million last spring).

The agreement allowed her sons to finally receive an injection of cash from the estate, although it only amounted to \$50,000 each, with quarterly cash payouts to follow. The settlement incorporates future income from song royalties, licensing agreements and other money streams with:

- 45% to go toward the existing IRS balance.
- 40% directed to an escrow account to handle future taxes on the newly generated income.
- And the remaining 15% to be used for managing the estate (which is now being managed by a court-appointed attorney).

But wait, there's more: A new—fourth—will has emerged. This one is typed but not signed and appears to have been drawn up in 2018, shortly before her death. "Among its highlights," writes the Detroit Free Press, is that "most of her assets were to pass equally to her sons Edward Franklin, Ted White and Kecalf Franklin. A trust would be set up for eldest son, Clarence Franklin, who has special needs." The document has been submitted to probate court and is awaiting action.

At the same time, the Franklin family is battling over Aretha's legacy in another way. Two biopic productions are being released on her life, with only one being said to cooperate with the family on their input and consent. The family believes that NatGeo—the producer of a four-part series, *Genius: Aretha*—was in talks with Sabrina Owens about the production but when she stepped down as estate manager, the show went on without family input.

Your legacy may not include being one of the most influential artists in history, but it does include assets worth protection. The lessons that Franklin's estate woes hold are multi-faceted. They include the importance of having and updating a formal, signed will, putting in place other critical estate tools like trusts, keeping up with taxes, and naming a trustworthy and knowledgeable executor. Your money, your heirs' livelihood, and the future of your business (including personal goodwill and intellectual property) are all at stake. As you can see, too, the taxes can be overwhelming when protections aren't in place, especially when debts are involved.

**Steven Bankler has more than 44 years of experience in the accounting industry. Steven's expertise lies in consulting, planning, tax, and asset protection as well as exit strategy services for closely-held businesses. He also provides litigation support (both as a testifying expert witness and a consulting expert), business negotiations and estate planning. Visit [www.bankler.com](http://www.bankler.com) for additional tax strategy tips and to learn more about Steven Bankler, CPA, Ltd.**

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## Business Name: Steven Bankler, CPA, LTD.

Owner(s): Steven Bankler, CPA, PFS, CR.FA, CFF, CGMA

How long in business: We recently celebrated our 44th year in business.

### **Steven Bankler's background and business foundation:**

I grew up in San Antonio, graduated from Thomas Jefferson High School and St. Mary's University. We moved to Bentley Manor three years ago, following my parents, who had moved there about five years prior. I've been married to my wife, Jane, for 51 years. We have three children and six grandchildren. We both enjoy traveling and are not only SPURS fans, but also NBA fans.

After graduating college I worked in my family's business, and several other businesses, for a period of time before opening my CPA firm in 1977. In the volatility of the 1970s, I ended up working for three successive companies that ended up in bankruptcy. My father encouraged me to get my CPA license and open my own firm.

Like many small CPA firms, I started with just myself and a secretary/bookkeeper/receptionist. Starting in the mid-1990s, I had a vision to become a CPA firm with **ONLY CPAs** working on clients' books. We have always been a niche firm. I added a second employee several years later. We now have a total of nine CPAs (along with three admin. staff) and continue to expand our staff. While I am still the majority owner, I have transferred responsibilities of running the firm to others.

Since I have never worked for another CPA firm, I have had to "invent" our procedures. I grew up in a family retail business, so I was accustomed to providing customer service. I have always believed in responding to our clients. Providing client service also means anticipating client needs and providing them information before they need it through the use of client newsletters, blogs, articles, etc.

I have had the pleasure of being involved in a variety of projects. I was recruited to be the Sole Forensic Accountant for the US Senate inquiry on the Clinton Whitewater Investigation. I also consulted with the US Senate Banking Committee regarding the search for the Holocaust Victims assets. More recently, I was engaged by a Louisiana defense team for a person accused of embezzling from her employer. The jury returned a unanimous verdict of "Not Guilty". Currently, I have been working with several business owners on implementing their exit plans. We are also assisting business owners in planning for President Biden's anticipated tax increases.

I am having a great time in my business. In the last two years, I have transferred management of the firm to Gina Valorz (Managing Partner) and Julie Ruiz (Firm Administrator), which leaves me more time to work on special projects and be available to meet and discuss client issues.

### **What is unique about your business and sets you apart from the rest?**

We are a specialty boutique CPA firm and are very selective in the clients we serve. We serve only business clients and their owners and we limit the services we provide to exclusively serve this niche. Our business clients have revenues in excess of \$1 million and are family-owned or closely held businesses. We keep that definition narrow because these types of businesses and business owners have unique needs. Their business and personal tax strategies are often intertwined. What affects one affects the other. So while we pride ourselves on not being "jacks of all trades," our work includes services like exit planning and asset protection to help our clients succeed in both areas. We utilize only CPAs for client work. Other firms hand off important work to bookkeepers, CPAs-in-training, interns, or college students. We don't.

### **Describe your business culture as it relates to how you service your customers:**

We strive on being proactive with our clients. We want to assist our clients not only in making money, but keeping more of it. That means that we discuss asset protection and exit planning as well as tax-saving strategies with them.

### **Given your business expertise and the nature of what you do, what advice can you offer residents seeking your business services?**

We are a niche CPA firm. Our clients are business owners and their businesses. We provide advice concerning business operations (tax savings, comparative business ratio analysis, etc.), asset protection, and exit planning. "We Solve Problems" is not only our Registered Trademark, but what we do. If we can assist you in these areas, we would be happy to set up an appointment at no cost to discuss your situation.

**What do you like most about being a dad?** Having a great relationship with my children and grandchildren.

**Steven's favorite moments as a dad:** After my dad retired from the family business, he shared an office with me for over 25 years. We would discuss business (he opened mini-storage locations), investments, go to lunches, etc. He was a great mentor. My favorite memories with my kids and grandchildren are the family vacations that we have taken each year for the past 10 years during the week of July 4th.

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