

How Robin Williams' estate plan aimed to protect his family

The comedian apparently used sophisticated estate planning techniques to provide for his children.

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The initial shock of Robin Williams' tragic death is giving way to reflections of his memory and legacy. Many people are also asking what happens next for his family, and what shape was the estate in that he left behind. Williams was survived by his third wife, Susan Schneider, to whom he was married for three years, and three adult children from his prior two marriages, whose ages range from 22 to 31. Did Williams' death leave them in financial distress.

In an interview with Parade Magazine in 2013, Williams lamented how he was required to change his lifestyle because of how much he lost in his two divorces (reportedly, \$30 million). He said he returned to TV because of "bills to pay." Williams also admitted to listing his Napa Valley estate for sale because he could no longer afford it.

Public records about Williams' real estate show that it has significant value. His Napa Valley mansion, which rests on 653 acres and is named Villa Sorriso (translated to the Villa of Smiles), has been listed for sale since April for almost \$30 million. Williams also left behind a 6,500-square-foot waterfront home in Tiburon, Calif., valued at roughly \$6 million. The two properties are subject to mortgages, according to public records, that totaled \$7.25 million as of 2011. This means that Williams left behind real estate with equity of around \$25 million, depending on what Villa Sorriso can command in a sale.

The good news for his family is that Robin Williams appears to have done solid estate planning, including at least two different trusts. Both of his valuable pieces of real estate are held in the name of the "Domus Dulcis Domus Holding Trust." This is a latin phrase meaning "home sweet home." He set up this Trust to own his real estate, tabbing New York accountant Joel Faden and Hollywood producer and entertainment promoter Stephen Tenenbaum as the co-

trustees.

TRUSTS LEAKED

Additionally, TMZ reported that someone had leaked a copy of a different trust, which Robin Williams created in 2009. This was in the midst of Williams' divorce from Marsha Garces Williams, his second wife. The trust reportedly names Williams' three children as beneficiaries, splitting their trust funds into three equal distributions for each of them, set to pay out when they reach ages 21, 25 and 30. Because this trust reportedly transfers the money to them whether Williams was already passed or still alive, this was likely established as part of his divorce rather than purely for estate planning. It is not known how much money was in this trust.

Regardless of the motivation behind this trust, it (and his real estate holding trust) show that Williams took advantage of sophisticated estate planning to protect his loved ones. Many celebrities, like Philip Seymour Hoffman, feared using any type of trust. Williams had at least two trusts, and it appears that the Domus Dulcis Domus Holding Trust was created, at least in part, to minimize estate taxes. Real estate holding trusts, when made irrevocably and drafted and used the right way, can often carve valuable real estate outside of someone's taxable estate. With the \$25 million or so in equity, this could add up to a substantial savings for Williams' heirs.

Even if this trust was not set up with estate taxes in mind, if nothing else it could have worked to safeguard privacy for Williams and his family members. When used properly and not leaked to the media or revealed due to litigation, trusts allow everyone to avoid probate court and keep their affairs private. Even non-celebrities usually prefer privacy, instead of having their affairs made public for nosy neighbors to see.

While the real estate, the children's trust funds, and any life insurance will not technically be part of Robin Williams' estate, his ongoing royalties, earnings from new deals over his image and likeness, and future releases of his comedy material would be managed by the administrators of his estate, unless he had previously assigned those rights to another trust or a corporate entity. These should add up to significant value.

PROPER STEPS

According to numbers compiled by ABC News, his movies grossed over \$6 billion throughout his career. While he earned a modest \$75,000 payday for voicing the Genie in Aladdin (despite the film's \$500 million earnings), he was paid \$165,000 per episode for his one season of The Crazy Ones.

There can be no dispute that Robin Williams was a comic genius, as his four Golden Globes, two Emmys, and his Oscar attest. The early indications are that he displayed some brilliance with his estate planning as well. While nothing can make the tragic loss of Robin Williams better for his family, at least he appears to have taken the proper steps with his legal planning to avoid the pain from becoming worse.

It's a lesson that others can learn from. While few people need the sophisticated type of estate planning that Williams used, a revocable living trust can help almost anyone who wants to help their loved ones avoid the publicity, costs, aggravation, and pain of probate court.

Because of his foresight, Robin Williams' family may be able to focus on grieving and not have to worry about unnecessary complications with his estate.

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