



# A DAY IN THE LIFE OF A CORPORATE FIDUCIARY

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I am sure each of you has seen a James Bond movie, so you think you probably have a pretty good feel for the daily ritual of a corporate fiduciary-- Action, Drama, Romance, Tuxedos and Dazzling Success at the Casino Tables, Harrowing High-Speed Chase Scenes (on foot, in the water or air and via any moving apparatus) and the Good Guy Always Prevailing at the End of the Day! While some of this certainly may apply to my daily routine, I am rarely involved in high-speed chases ...

Fortunately, this hole in my daily routine is more than filled by the many other exciting endeavors with which I am routinely involved. At the risk of assuming the role of the Dad in the front of his child's 5<sup>th</sup> grade class, competing with a fireman, policeman, astronaut, and game show host for the most interesting profession, I will provide you a peek behind the fiduciary curtain at the workings of First Carolina Wealth ("FCW").

You likely remember the Harry Potter film where they visit the bank and, on the way to the safe deposit boxes, they walk past rows and rows of high desks occupied by elderly grey haired, wizened men with thick green eyeshade reading glasses, endlessly balancing the ledger books of client assets, and you may have previously worked for a large bank where the Trust Department cloned this film version. Such is not the case for FCW.

The Bank, through FCW, has been granted a charter from the North Carolina Banking Commission and the FDIC to serve as a corporate fiduciary in all matters to the public. A fiduciary is charged with the highest standard of care of its clients. In all matters the fiduciary must do what is best for the client, whether it happens to be best for the fiduciary or not. This is a much higher bar than the brokerage industry's "Suitability Standard," where it is perfectly acceptable to do something better for yourself as long as it is suitable for that particular client. FCW performs virtually all fiduciary services provided by the large banks and we do it with a staff of three. This provides us an incredibly varied and interesting work experience on a daily basis.

FCW does not market a "product." We do not sell annuities, life insurance policies or proprietary instruments. Our product is our advice and our service. We seek to provide "Peace of Mind" to our clients, so that they are free to pursue their life's goals and dreams without worrying about the financial issues that wake you up at night. We serve as an umbrella counsellor to our clients, working with and hopefully optimizing the service of their siloed expert lawyers or CPAs. We seek not to replace other experts, but rather to assist the client in best utilizing their skills and their corresponding fees. We strive to be the client's first call, because we will not send them a bill for an hour, and we can channel their inquiries to normalize their professional fees. We hope to be the conduit to ensure the client's successful utilization of expert advice to maximize his family's wellbeing. This is part of *Life Planning*.

My clients routinely call me on my cell phone at all hours when issues present themselves. If I am not available, they leave a message, and I am back with them ASAP. No surcharges for after-hours service. Some of my most valuable advice has been rendered to a client waiting in the check-out line at the grocery store. They simply want to know whether the issue confronting them needs to be of worry or not, so they can enjoy their weekend at the beach. We take the load off them and run with it ourselves. We consult their other experts on the client's behalf. I have found in life that ***“the more I learn, the more I discover I do not know.”*** If I do not know something, however, I generally know where to find out or who to call. We are up-front with clients as to our level of the certainty of our advice, versus seeking outside expertise.

In this pursuit, I have recently provided advice on a myriad of issues:

- As a tax attorney, tax planning advice is likely my most useful and most enjoyable value-add. We do not prepare Form 1040 and 1041s as the CPAs do. Rather we give tax advice on how to set your affairs up to derive the best result on the forms your CPA prepares. Tax issues vary over time, but generally include:
  - Retirement planning
  - Succession planning
  - Interaction between income tax and estate tax consequences of these matters
  - Buy-sell agreements
  - Estate planning

Our tax mantra is ***“It is not what you make that matters... it is what you keep!”***

- Investments are a large part of our service, but investments are tools we use to satisfy the clients' objectives, not products to sell for commissions. They are tools we use in our service, not an end or goal in themselves.
- Our best clients are multi-generational, where we are successful in serving three or more generations of the same family. Each generation has separate needs over time, but our service to each level is a great benefit to the entire family. We assist parents and grandparents with educating and socializing the following generations, passing on needed skills in philanthropy and social responsibility.
- Bank clients who own businesses are ideal FCW clients. I thoroughly enjoy being introduced to a happy bank client and spending time with them to learn of their needs in the wealth and financial planning arena and discovering how we can help them. It is awesome to partner with a banker and supplement the services the bank provides. I have yet to meet a business owner that cannot benefit from our tax planning services. We thrive at making the bankers look good in the eyes of the client. We present a winning team.

At the end of the day, I derive more satisfaction from taking care of my clients than I ever would from sipping vodka martinis (shaken, not stirred) while wearing a tuxedo at the baccarat table in Monte Carlo. But, then again, I am a corporate fiduciary after all...