



## CASE STUDY

# Helping clients maintain and pass down non-conforming assets.

As a client's family expanded with the blessing of grandchildren, details surrounding the gifting of family ranch land grew more complex. Selling the beloved property was not an option, so how could the client preserve the ranch and continue to share it with their entire family?

**It's not uncommon for high-net-worth families to have valuable assets apart from a brokerage account. These sources of wealth can create estate planning complications, especially when liquidation is neither an option nor part of the client's legacy plan.**

One case Cumberland Trust worked through involved a family with extensive income-producing and recreational ranch land in Texas. These holdings included mineral interests, water rights, land use considerations, and the operational equipment of a working ranch.

Passing these non-conforming assets to the next-generation and third-generation beneficiaries was a complex puzzle that required experience and expertise. The situation mandated decisions about land management responsibilities, access schedules, and income distribution.

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*Many trust companies may wish to avoid illiquid or non-conforming trust assets. They often prefer assets like ranch or farm land, mineral interests, private equity, and others to be a smaller percentage of the trust or liquidated over time. But that's not always what the client wants or what's best for the family.”*

ELLY HUTCHINGS

Vice President & Business Development Officer,  
Cumberland Trust

## KEY CHALLENGES

- 1 Income-producing and recreational ranch land with mineral and land use rights.
- 2 Ongoing ranch management and administration to preserve the asset.
- 3 Over twenty second and third-generation beneficiaries are involved.

The first step was to work with family attorneys to create a governance structure around the ranch land. With legal counsel advising, the trust-owned asset was wrapped into an LLC, allowing family members to serve in decision-making roles. This gave the client's family control over the asset and provided Cumberland Trust with an established contact for administrative needs.

*“As time passes, beneficiary needs and wants are going to change. Having a fiduciary partner that is flexible enough to accommodate the changing needs of the family while continuing to preserve their legacy is really important.”*

The next important consideration was providing land access for more than 20 beneficiaries across two generations. How do you ensure that each family member receives equitable use of the property? To help with this, Cumberland Trust partnered with a national property management group with extensive ranch management experience. The group helped define areas of the land available to guests and advised on the management of the mineral interests. Cumberland Trust worked alongside the management partner and the client's family, to create a schedule that accommodated every beneficiary's usage and access to the land.



### *Preservation and Legacy*

The client's family retained a significant part of their legacy. They kept control and management of the property without having to sell or liquidate it.

### *Fiduciary Support*

Cumberland Trust's dedicated trust administration team provides ongoing fiduciary services and support to the family.

### *Family Access & Experience*

Access to the recreational aspects of the ranch land remains with the client's children and grandchildren.

### *Operational Assistance*

A national expert in ranch and mineral interests management assists with the property's operation and income production.

## Do your clients have property, businesses, or other illiquid assets they wish to keep within the family?

Contact us today to learn about options to help them maintain control while passing wealth through generations.