Contents

Foreword xvii
Preface xix
Acknowledgments xxiii

CHAPTER 1
Introduction to the Family Office 1
Kirby Rosplock, PhD

A Macro View of Global Wealth 2
Billionaire Update 6
How Much Do I Really Need to Fund a Family Office? 8
Purpose and Definition of the Family Office 9
Historical Background of the Family Office 11
Family Wealth and the Family Office from the Industrial Age 11
Three Key Roles of the Family Office 14
The Keeper and Executor 15
The Guardian and Confidant 16
The Brain Trust 18
Types of Family Office Services 19
Conclusion and Final Thoughts 22
Notes 22

CHAPTER 2
Inception of the Family Office: Pathways to a Family Office 25
Kirby Rosplock, PhD

Inception of a Family Office 25
Impact of the Family Business on the Family Office 27
Attractions and Challenges with Embedded Family Offices in the Family Business 27
Separating the Family Office from the Family Business 29
Sudden Wealth 30
The Investment Office 31
CHAPTER 3

Family Wealth Needs: Determining Your Family Office Solution and Services

Kirby Rosplock, PhD

Trends in the Family Office Landscape
Family Office Archetypes
  - The Multi-generational Focused Family Office
  - The Investment Family Office
  - The Founder's Family Office
  - The Administrative and Compliance Family Office
  - Family Business-Centered Family Office
  - Legacy and Philanthropic Family Office
Determining Family Wealth Management Needs
Why the Single Family Office Solution?
Why the Multi-Family Office Solution?
Questions to Ask During the Evaluation Process
Request for a Proposal (RFP)
Conclusion and Final Thoughts
Notes

CHAPTER 4

Family Values, Mission, and Vision and the Family Office

Kirby Rosplock, PhD

Introduction to Values
The Process of Exploring Values
Values Statement
Mission Statement
Values, Mission, and the Family Office
The Importance of Vision
Elements for Successful Family Office Visioning
Building Your Family Office Vision
Pitcairn Family Case Study
Creating Your Family Vision
  - Step 1: Education and Clarifying the Process and Expectations
  - Step 2: Preplanning for the Vision Retreat
  - Step 3: Staging the Vision Retreat
Notes
CHAPTER 6
Advising Families: Developing a Family Office Baseline
Kirby Rosplock, PhD

Introduction to Creating a Family Office Baseline
The Family Genogram
The Family Background
Trusted Advisors
The Estate Plan Review
Mapping and Summarizing Legal Entities
Assessing and Preparing for Major Life Issues
The Financial Review
Capital Sufficiency Analysis
Capital Sufficiency Case Study for the Raymond Family
Capital Sufficiency Outcomes Discussion
The Insurance Review
Conducting An Insurance Review
Conclusion and Final Thoughts
Notes

CHAPTER 7
Legal and Compliance Standards and Practices for Family Offices
David S. Guin, Esq., Partner and U.S. Commercial Practice Group Leader, Withers Worldwide
Mark J. Tice, Esq., Associate, Commercial Practice Group, Withers Worldwide

New Regulations Affecting Family Offices
What Has Not Changed
Case in Point
The Single Family Office Exemption
Case in Point
Clients of the Family Office May Need to Report Beneficial Ownership of Securities of Publicly Reporting Companies
How to Report Beneficial Ownership
Clients of the Family Office May Need to Report Beneficial Ownership as Insiders of Publicly Reporting Companies Reporting Insider Status on Form 3, Form 4, or Form 5
How Do I Determine Beneficial Ownership in a Multi-Tiered Family Holding Structure?
Case in Point
Are You an Institutional Investment Manager? (The Answer May Surprise You.)
CHAPTER 11
Governance Issues for the Family Office 257
Barbara Hauser, J.D., Independent Family Advisor
Kirby Rosplock, PhD

Governance Issues for the Family Office Itself 258
Benefits of a Good Board 258
Addition of Independent Directors 259
Interim Stage of Advisory Board 260
Accountability to the Family 260
Pricing Alternatives 260
Participation in Long-Term Strategy 261
Next Generation Issues to Address 261
Succession Planning for the Family Office and Its Executives 262
Case of the Winchester Family 266

Governance Issues for the Family Itself 269
Analysis of Existing Decision-Making Process 269
Hallmarks of Good Governance: Transparency, Accountability, and Participation 271
Benefits of the Family Creating Its own Governance Process/Structure 271
How to Create the Family Governance 272
Family Councils 273
Family Constitutions 274

Conclusion and Final Thoughts 276
Notes 277

CHAPTER 12
Preparing Succeeding Generations: Family Education in the Family Office 279
Kirby Rosplock, PhD

Developing the Next Generation 280
Elsa’s Story 282
To Tell or Not to Tell: Overcoming Communication Challenges 285
Case Study: Aragon Trust Company 287
Clear Expectations and the Power of Inherited Wealth 288
Case Study: The Lyle Family 292
Inspiring Entrepreneurship and the Next Generation 293
Mentoring: The Power, Influence, and Inspiration of Mentors 294
Building a Foundation for Financial Independence: The Role of the Family Office 297

Conclusion and Final Thoughts 301
Notes 302
<table>
<thead>
<tr>
<th>Contents</th>
<th>xv</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy to the Next Generation</td>
<td>336</td>
</tr>
<tr>
<td>Gender and Legacy: How Important Is Leaving a Legacy from Women’s</td>
<td>337</td>
</tr>
<tr>
<td>and Men’s Perspectives?</td>
<td></td>
</tr>
<tr>
<td>Defining Legacy</td>
<td>339</td>
</tr>
<tr>
<td>Financial Legacy</td>
<td>339</td>
</tr>
<tr>
<td>Social Legacy</td>
<td>340</td>
</tr>
<tr>
<td>Philanthropic Legacy</td>
<td>343</td>
</tr>
<tr>
<td>Legacy and Its Connection to Philanthropy</td>
<td>345</td>
</tr>
<tr>
<td>Case Study: The Root Family and the Origins of the Coca-Cola Bottle</td>
<td>347</td>
</tr>
<tr>
<td>The Role of the Family Office Supporting a Family’s Legacy and</td>
<td>349</td>
</tr>
<tr>
<td>Philanthropy</td>
<td></td>
</tr>
<tr>
<td>Family Offices Supporting Philanthropy: Opportunities and Challenges</td>
<td>351</td>
</tr>
<tr>
<td>Mentoring the Next Generation</td>
<td>352</td>
</tr>
<tr>
<td>Family Council</td>
<td>353</td>
</tr>
<tr>
<td>Conclusion and Final Thoughts</td>
<td>353</td>
</tr>
<tr>
<td>Notes</td>
<td>354</td>
</tr>
</tbody>
</table>

**CHAPTER 15**

**Globalization of the Family Office: International Families and Family Offices** 357

Kirby Rosplock, PhD

<table>
<thead>
<tr>
<th>Contents</th>
<th>357</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction to the Global Family Office</td>
<td>358</td>
</tr>
<tr>
<td>Asia</td>
<td>358</td>
</tr>
<tr>
<td>North America</td>
<td>362</td>
</tr>
<tr>
<td>Latin America</td>
<td>364</td>
</tr>
<tr>
<td>Europe</td>
<td>366</td>
</tr>
<tr>
<td>Middle East and Africa</td>
<td>370</td>
</tr>
<tr>
<td>Oceania</td>
<td>378</td>
</tr>
<tr>
<td>Conclusion and Final Thoughts</td>
<td>381</td>
</tr>
<tr>
<td>Notes</td>
<td>385</td>
</tr>
</tbody>
</table>

**About the Author** 387

**About the Contributors** 389

**Index** 393