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### Collaborative Wealth Management

South Dakota's status as a "trust friendly" state for dynasty trusts is well known. Yet South Dakota's trust laws offer many benefits in addition to dynasty trusts. As a practical matter, not every wealthy family desires or needs a dynasty trust. So what other advantages are driving settlors, attorneys and financial advisors to South Dakota?

South Dakota laws on asset protection trusts are very settlor-friendly. The absence of a state income tax also motivates many settlors to locate their trusts in South Dakota. Another attractive feature is that families can continue to use their own financial advisors. High-net-worth families often have relationships with financial advisors that go back many years. In the past, those advisors were usually cut out by corporate trustees seeking to manage the assets in-house. Trust laws were not friendly to the concept of letting trustees shift investment responsibility to non-trustees. However, the evolution of trust laws has given settlors more options than ever before. Corporate fiduciaries can now delegate many functions including asset management. Going a step beyond the so called dele-

gated trust is the directed trust. This allows the settlor to parse out different trust functions among several entities. For example, the investment function may rest with the settlor, an investment committee or other party distinct from the corporate trustee.

Delegated trusts allow the use of the family's investment management team. The trustee, though, still maintains a level of oversight and responsibility. With a directed trust, the settlor can remove all investment oversight from the trustee. Families like this because they can keep their own financial teams in place. Corporate trustees like this because they have insulation from investment management liability beyond that of delegated trusts.

The trust-friendly framework in South Dakota has already attracted many families seeking to create dynasty trusts. However, the trust environment in the state does indeed offer a great deal more than that one benefit. Families wishing to work with their chosen financial team on a generational basis are discovering the benefits of locating their trusts in South Dakota.

**For more information, please visit [www.dakotaguardiantrust.com](http://www.dakotaguardiantrust.com).**



Safeguarding what matters to you is what **DAKOTA GUARDIAN TRUST** is all about. Through a wealth of legal advantages, a broad spectrum of investment options, and outstanding professional trust services, we help bring your foresight to fruition.

Dakota Guardian Trust redefines the relationship between institutional trustees and wealth management professionals through successful strategic partnerships. With our advisor friendly approach, we collaborate with the financial advisors, accountants and attorneys who helped build you legacy.

*To learn more about our positively different structure, contact Dakota Guardian Trust at [www.dakotaguardiantrust.com](http://www.dakotaguardiantrust.com).*