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Little Things Mean A Lot: Tips for Dividing Art and Collectibles in Divorce or Death

By Morgan Rigaud

Be careful with that original copy of "Alice's Adventures in Wonderland." In real life, as in fantasy, the small items that fill homes can become powerful vessels of chaos.

Disputes over artwork, antiques and collectibles during a divorce or while dividing an estate can be devastating. The emotional significance attached to such items can cloud judgment when assigning value, and a rush to appraisal can lead to inaccurate valuations.

It's easy to advise families to have their tangible personal property appraised early and regularly, but in reality these types of tasks tend to fall somewhere on the to-do list between learning the cello and reading "Moby Dick." There is always tomorrow to appraise the chairs you inherited.

So let's pretend it is tomorrow. Following are tips for avoiding the rabbit hole of family disputes over tangible personal property.

Identifying Preventable Disputes

Recall what Ben Franklin said about an ounce of prevention. A quick tour of the property and a Q&A with a beneficiary or divorcee should reveal where special attention is required to avoid contention. Listen closely for mentions of objects that fall into one of these two categories:

Venerated objects: These are items with which the owner has an intimate connection; objects that were used, touched and worn regularly – think "on their person" – but not so personalized that they couldn't be enjoyed by the other divorcee, a family member, or a friend.

In the case of an estate, venerated objects are described as iconically representative of the deceased. We find furniture and jewelry the most frequently venerated objects. Listen for the "language of veneration" (as we refer to it in our business):

"She and I would sit at this table and talk for hours."

"That was his chair."

"He wore those cufflinks to the office everyday for 40 years."

As for jewelry, the pieces we find to be most often venerated are associated with a rite-of-passage: marriage, anniversary, birth of a child, an accomplishment.

Objects with rumored values: Often, the owner of an antique or artwork will tell stories that the object is "valuable," "irreplaceable," or "one-of-a-kind." Misinformed beneficiaries begin to picture their father's shelves of Rookwood Pottery as an investment fund, and estate settlement becomes the time they expect to cash in.

Rumored values drive divorcees and beneficiaries to pursue a DIY valuation to justify the dollar amount they have in mind. They hop online and turn to eBay and other unreliable sources for price points to support their theories. Within the copious amounts of bad data available to

anyone on the Internet, they can easily find a high price point of another object that might seem related to the object in question, and then use that price to support their argument. It's critical to contextualize price data and to understand the reliability of its source. A qualified appraisal report is an indispensable tool for providing an impartial, unbiased and justified valuation of an object for family members that cannot agree upon a price.

Choosing Your Tools

When it comes to getting agreement on personal property, particularly during prenuptial agreements or estate planning, digital tools are among the most reliable. They are particularly helpful for remarried divorcees who envision their collections going to children from previous marriages. In estates, digital tools can play a crucial role since the protection, division and disposition of tangible personal property is an essential, but often ignored, aspect of planning.

What to look for in your digital tools:

- Tailoring: Tools should facilitate record-keeping specific to tangible personal property and have the ability to store files, such as scans of invoices, previous appraisals, authenticating documents and correspondence from dealers.
- Shared processing: Cloud tools are preferable for catalog access and sharing benefits. Dividing property can require lots of correspondence and the right digital tools can eliminate 90 percent of the back-and-forth deliberation over an object.
- Information security: This is a priority and data backups are critical – cloud tools should be encrypted in a way that complies with the Gramm-Leach-Bliley Act, the federal law enacted to control how financial institutions handle the private information of individuals. (Be careful, because many do not comply!)

You need not be a techie to determine security protocol for financial standards. You should expect a layer of firewall protection and encryption functions such as SHA-2, a family of hashing algorithms designed by the National Security Agency. Our system for managing estate properties employs both [SHA-256](#) and [AES-256](#) encryption, the strongest encryption available and therefore used by big banks.

- Resources: A good digital tool will easily connect to specialist appraisers who can provide valuations to settle the score. Appraisers can squash misinformation and explain the valuation of an object transparently and in accordance with rational methodology.
- Organization: Built-in sorting and division features allow the mediator or trustee to assign account credentials to involved parties so that they can track and monitor selections. This will allow the trustee or mediator the ability to resolve conflicts discretely.

What to Avoid

Don't rely on piecemeal DIY lists. They will create problems later that will cost you more time and money to rectify. Not to diminish ephemera, but handwritten lists and rudimentary spreadsheets should be avoided at all costs. A laundry list of brief object descriptions and unexplained values, and no photographs, won't always hold up in an argument or dispute. Which side table? What painting?

Don't procrastinate. Plan today. When valuable specialty property is at stake or beneficiaries might become contentious, it is best to protect the property with a detailed, decipherable and uniform account that adequately describes each object. After all, it is relatively easy to claim an item has value; the challenge is preserving the treasure. Proper planning, useful tools and qualified appraisers can be essential in protecting family harmony and goodwill during stressful times of transition.

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About the author

Morgan Rigaud is managing director of Cincinnati-based Bryson Estates, an expert appraiser of fine and decorative arts, collectables and antiques. She is a trained and tested IRS Qualified Appraiser and earned a graduate certificate from New York University in fine and decorative art appraisal. She collaborates with subject-matter experts across the country to prepare donation and estate tax appraisal reports for IRS art panel review, as well as complex valuations used in insurance coverage and claim settlement. Rigaud appraises fine art for 11 of the 15 largest insurance companies in North America and is a regularly appearing fine art appraiser on "Kentucky Collectibles," the No. 1 program on KET. Learn more at www.brysonestates.com.