

Families are becoming more sophisticated about wealth management, incorporating modern trust documents into their estate-planning and looking for ways to maximize the flexibility of their trust investments. Typically, a trustee's duties and flexibility regarding investment responsibilities vary depending whether a trust is directed or delegated; the applicable state statutes; and the terms of the trust instrument itself.

### **Comerica's Fiduciary Services**

Comerica is a natural choice to provide unemotional, unbiased professional fiduciary services when clients have children from various marriages, a second or third spouse, a family that is geographically dispersed, a disintegration family unit, special needs children, etc., each of whom may have varying financial needs.

Comerica Trust Advisors are knowledgeable, experienced professionals well-versed in complex trusts and situations. By collaborating with other teams within Comerica Trust dedicated to address specialties (real estate, closely held businesses, oil, gas, and mineral assets, intellectual properties, special needs, etc.), Comerica can administer trusts that other organizations cannot.

### **Directed versus Delegated**

There are ways to structure a trust to secure the benefits of an independent and professional trustee without jeopardizing other important goals. In situations where planning requires a trust to own non-marketable assets (e.g. real estate, a closely held business, oil & gas interests, etc.) the trust agreement may include language allowing the Grantor to "direct" the management of this asset by another individual who assumes the role of "Investment Adviser". Under this arrangement, if the trust also owns marketable securities, this allows for the "bifurcation" of responsibilities between these different types of assets.

There are several states with strong directed trust statutes and case law. Some of those locations include Delaware, Tennessee, Texas, Florida and North Carolina where Comerica provides local trust administration. This is important since statutory law may require the trustee maintain a physical presence to utilize that directed trust jurisdiction.

### **What is the Best Choice Between A Directed Trust And Delegated Trust?**

The concept of a delegated or directed trust for investment management starts with the goal of the Grantor and usually the type of trust property. If one is seeking flexibility around investment management and distributions, then a directed trust should be considered. Delegated trusts are typically revocable and allow for changes in situs, governing law or dispositive provisions. The Grantor's philosophy, purpose of the wealth transfer and complexity of the trust agreement are other considerations as to which is optimal.

### **Want To Know More?**

Want to know more about this topic or any other, Comerica welcomes the opportunity to help. Contact your Comerica Relationship Manager from Comerica Advisor Solutions or visit [comerica.com/trust](https://comerica.com/trust).