



# Excelsior Wealth Management

Financial Planning  
for Legal Settlements

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*Back row, left to right: Craig Pastolove, Jesse Friedman, Scott Sklar*

*Front row, left to right: Stacey Smith, Carolina Chatila, Vanessa Kistenmacher, Stephanie Yang, Janne Lee, Chad Levy*

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# Sudden Wealth Financial Planning Is Our Focus

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Have you ever wondered why some lottery winners quickly go bankrupt or why many young adults spend their inheritance in a couple of years? Although becoming unexpectedly wealthy provides you with a unique opportunity to reshape your life in a positive way, it can give you a false sense of financial security that can lead to monetary troubles in the future.

At Excelsior Wealth Management, we understand that unpredictably coming into a large sum of money is both an exciting and stressful experience for our clients. No matter the source, significant sudden wealth will offer you a chance, but not a guarantee, to enjoy a long fruitful life without financial burden.

That's why having a trusted team of professionals to help you navigate your new found wealth is so important. Whether your goals involve determining an appropriate monthly spending limit, funding your child's college tuition, or planning for retirement, your coverage team at Excelsior Wealth Management possesses the key to your success. We have access to first-class resources that are designed to tackle the hurdles you face as well as the specialized knowledge and experience to address those challenges now and in the future.

Our priority is to understand and consult on the specific needs of you and your family in a collaborative, professional and educational manner—one that places your goals at the center of our relationship.



# What Are Your Hopes and Dreams?

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A wrongful death or physical injury may shatter some aspirations but perhaps creates new ones. You may be seeking to remain as independent as possible. You may be a parent who wants to make certain your child will be well taken care of when you are no longer able. You may require a reconfiguration of your house to accommodate physical limitations.

Whatever the case, your legal settlement can go a long way toward helping you reach your objectives... **Provided you plan for them in advance.**

Excelsior Wealth Management at Morgan Stanley offers a comprehensive planning approach that has helped many individuals plan for the financial future they deserve.







**Our approach considers every aspect of your finances, including:**

**Immediate Needs**

How much of the settlement should be paid in cash for immediate expenses like home modifications or the purchase of a specialized vehicle?

**Income**

Should part of the settlement be paid as a structured settlement to help provide the income necessary to meet ongoing expenses?

**Future Liquidity**

How should funds be invested to help you meet projected and unforeseen obligations?

**Trusts**

Would it be advisable to establish a Supplemental Needs Trust or other account structure to help protect assets or preserve any government benefits to which you are entitled?

**Our objective is to help you fulfill your hopes and dreams without compromise by providing you with objective and unbiased financial advice.**



## How We Work With Clients

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At Excelsior Wealth Management, our personalized wealth management process begins *before* your final settlement is awarded. Typically, we employ the following four-step process:

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### 4. Review & Evaluation

#### The Road Map Review™

Morgan Stanley's investment capabilities help provide post-settlement services specialized to their clients that come into sudden wealth. We review the client's total picture by providing ongoing guidance on items such as budgeting and cash flow, education, retirement, estate, tax and insurance planning, liability management, and philanthropy.

## 1. Discovery

### The Foundation Builder™

Before we offer a single recommendation, we take the time to get to know you. That means an in-depth discussion with you and your attorney to explore your background, current finances and future objectives.



Discovery



Strategy  
Creation

## 2. Strategy Creation

### The Goals-Based Road Map™

We analyze your input and help develop a strategy with specific recommendations, such as investments and structured settlements, to help meet the objectives you established.



Review and  
Evaluation



Strategy  
Implementation

## 3. Strategy Implementation

### The Seamless Transition™

We coordinate all service providers including structured settlement brokers and bank or trust officers, which may or may not be needed for each individual plan. Our group has partners who are well-versed with the settlement process, many of whom are former attorneys themselves.

# The Approach in Action

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You have four options to implement your strategy. Our team will review your entire financial picture to determine which solutions are appropriate.

- 1 Lump Sum Payments** work either alone or in conjunction with structured settlements and are useful to fund clients' immediate expenses or to purchase goods and services to improve their quality of life. It is important to have a segregated pool of capital in an attempt to provide asset growth so that future income streams can attempt to meet or exceed inflation.
- 2 Structured Settlements** are a series of tax-free periodic payments that are advantageous for individuals who require ongoing income for needs such as medical bills, college tuition or retirement. A structured settlement may be just one part of a viable solution, its size depending on how much the claimant will need to meet monthly expenses.
- 3 Supplemental (or Special) Needs Trusts** make sense when a claimant is ineligible for government aid, as funds may be utilized to supplement care not covered by insurance or other benefits. When claimants are under the age of 18, their eligibility for benefits is based on their parents' income and assets but once they reach the age of majority, their eligibility is based on their own.
- 4 Other Trusts** or account structures may be beneficial based on individual circumstances, for example, to help minimize taxes and provide liquidity to meet unforeseen expenses.





# Case Study: How We Can Work Together

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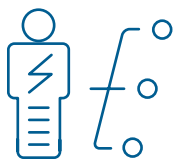
## The Client

22-year-old aspiring basketball player came into sudden wealth after enduring a physical trauma that resulted in a permanent disability

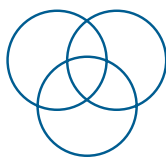
### BACKGROUND

- Client significantly injured in a car accident and became paralyzed from the waist down
- It was discovered that the car was manufactured with faulty brakes, and the client was able to take his case to court
- After months of legal proceedings, the client received a \$5 million settlement
- The settlement lawyer was worried that his client would not be able to preserve his new wealth and introduced him to our team who specializes in sudden wealth financial planning

The case study presented is intended to illustrate products and services available at Morgan Stanley. Facts have been changed to protect client confidentiality. Past performance is no guarantee of future results. These strategies do not guarantee a profit or protect against loss and may not be suitable for all investors.



## Our Approach



## Results

Set up discovery meetings, set specific objectives such as target risk levels and liquidity requirements, and constructed a comprehensive financial plan

### DISCOVERY

- We began our process with a discovery meeting, where we were able to learn about the client's background and financial situation
- As a young man who had never been exposed to wealth, our client spent roughly \$1,500 per month
- After we learned that he was living in a building not fully accessible for someone with a disability, we felt that he would be better off in a different apartment
- After getting a better understanding of the client's current financial situation and income needs, we then worked with the client's structure broker to determine the proper structure for his \$5 million settlement

Client now has a personalized and dynamic plan that will allow him to live a life potentially free of financial burden

### OUTCOME

- \$1.5 million in an up-front lump sum payment
- \$3.5 million put into a structured annuity providing guaranteed monthly income for life
- His structured annuity would provide him with \$10,000 tax free per month for life guaranteed, allowing him to purchase a new wheelchair and a larger and more accessible home
- We advised him not to spend the \$1.5 million lump-sum settlement, allowing the capital to be invested into a growth portfolio that would potentially act as a hedge against inflation, provide liquidity if needed, and give him and his future family a substantial nest egg to rely on
- We believed that the client was better suited for a different apartment building that was wheelchair accessible, and helped him find an appropriate real estate broker
- We advised him on leasing a car fully modified for his disability and encouraged him to get his degree
- Our team continues to enjoy a relationship with the client and acts as a virtual CFO to assist him with any financial issues that may arise as his needs and goals continue to evolve



# A Single Source

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Depending on the financial acumen of the claimant, a lump sum payment may last his or her entire life or be spent within a surprisingly short period of time. A structured settlement, while seemingly an antidote to this problem, may also prove ineffective if recipients make poor spending decisions or lack liquidity to meet extraordinary expenses.

At Morgan Stanley, we do not believe in one-size-fits-all solutions. We do believe that strategies must be created within the context of our clients' overall financial picture to be successful. We also believe that coordination is best achieved among professionals when they are all working at the same table. Our approach to settlements is a convenient as it is comprehensive.

## Structuring Attorney Fees

Attorney fees in wrongful death and personal injury cases can be substantial. If they are paid in a lump sum, they generate an immediate tax liability that can reduce net fees considerably and even push the attorney into a higher tax bracket.

At Morgan Stanley, we work with attorneys to provide guidance to structure the payment of attorney's fees in a manner that may be advantageous to them:

- Unlike the claimant's structured settlements, structured attorney's fees are not exempt from federal and state income tax but may remain tax-deferred until payments are actually distributed.
- Attorneys may spread the payment of their fees over a period of years and then only pay taxes upon receipt. It is also possible to receive a partial lump sum and spread the remaining fees over time.
- Attorneys may schedule future lump sum payments to meet projected expenses like their own children's college tuition.
- Attorneys may defer payments for a period of years before receiving them. For example, a 55-year-old attorney may defer payments until age 65, at which time, the payments function in lieu of a pension plan.

**We help you implement  
a plan that may include:**

Structured attorney fees

Structured settlements

Traditional wealth planning including  
trusts and estate planning services

Various trusts including  
Supplemental (or Special) Needs  
Trusts and other revocable and  
irrevocable trusts

Life insurance and  
long-term care



# The Talent at Your Disposal

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We are a team of dedicated financial professionals who combine our talents to develop and implement comprehensive, multigenerational wealth management plans. We are committed to the success of our clients and to delivering a truly superior service experience.



**Craig Pastolove, CIMA®, CPWA®**

*Managing Director, Wealth Management  
Financial Advisor*

Craig Pastolove is a Managing Director and a designated Family Wealth Director with Morgan Stanley's U.S. Wealth Management Group. Craig holds the Family Wealth Director title, earned by only 300 of Morgan Stanley's approximately 16,000 Financial Advisors. Additionally, he has garnered the Corporate Client Group Director title which represents his commitment to institutional retirement plan consulting.

After graduating from the University of Michigan with a Bachelor of Arts, Craig began his career with Oppenheimer & Co. as a financial advisor.

In 2002, Craig attended the Wharton School of the University of Pennsylvania, and subsequently obtained the title of Certified Investment Management Analyst® (CIMA®).

In 2004, Craig's group transferred its clientele to Citigroup. Shortly thereafter, he was asked to join Citi Family Office, a division focused on servicing the complex needs of ultra high net worth clients.

In 2008, Craig joined Morgan Stanley. He was recently awarded the Certified Private Wealth Advisor® title after completing a one-year course at the University of Chicago Booth School of Business.

Craig and his wife, Kimberly, reside in New York with their son, Chase, and daughter, Brooke. He is very active in several social and philanthropic organizations in the greater New York metropolitan area.

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**Scott Sklar**

*Managing Director, Wealth Management  
Financial Advisor*

Scott Sklar focuses on providing exemplary service to institutional clients through capital markets coverage, proactive advice and consistent and direct communication. The relationships he has cultivated with some of the premier hedge fund managers in the nation have enabled him to build one of the largest middle-market businesses at our firm. He works with funds and family offices that range in size from \$100 million to \$5 billion.

In 1991, Scott graduated from George Washington University with a Bachelor of Arts in international business. He subsequently joined Prudential's training program and, by his fourth year, earned Council Producer status.

Scott left Prudential for Smith Barney, now Morgan Stanley, in 2001. He was named as a Director's Council producer in 2009, his seventh year in a row of garnering this distinction. In 2011, Scott was named a Managing Director at Morgan Stanley. He also sits on Excelsior Wealth Management's Investment Committee, which is responsible for managing the team's proprietary equity, fixed income and alternative investment model portfolios.

Scott is married with three children and resides in Westport, Connecticut. His interests include coaching, traveling, reading, swimming and golfing.

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**Jesse S. Friedman, CFP®**

*Vice President  
Financial Advisor*

Jesse Friedman joined Excelsior Wealth Management in 2001, four weeks after graduating from Brandeis University with a double major in economics and political science and a minor in international business.

He is the primary day-to-day contact for clients and their other advisors, including attorneys, accountants and family office directors. He is also responsible for managing the financial planning process for existing clients and developing customized solutions for new ones. After a yearlong education process, Jesse obtained his Certified Financial Planner™ (CFP®) designation in 2011, allowing him to provide even more intimate planning expertise and strategic advice to clients.

Additionally, Jesse manages the other team members in a concerted effort to help ensure that client needs are met efficiently and effectively. He also assists in synthesizing the firm's extensive research as the group constructs its equity and fixed income models.

In his spare time, Jesse enjoys traveling, tennis and supporting the New York Rangers and New York Giants. He is an active member of the Turtle Bay Society, the Brandeis University Alumni Association and Central Synagogue. Jesse lives in Manhattan with his wife and high school sweetheart, Melissa, and their sons, Eli and Zach.

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**Stephanie Yang**

*Assistant Vice President  
Consulting Group Analyst*

Stephanie Yang joined Excelsior Wealth Management at Morgan Stanley in 2014 and brings a wide spectrum of private wealth management experience, having started her career in the business in 2011. Stephanie functions as a service advisor, and her primary duties include enhancing client experience through diligent portfolio monitoring, generating and reviewing investment ideas and proposing solutions to complete a holistic approach to a balanced and unique financial plan, customized for individual clients and prospective clients.

Prior to working at Morgan Stanley, her New York City-based predecessor firms include Wells Fargo and U.S. Bancorp, where she focused on the portfolio management of ultra high net worth clients' assets. In 2009, Stephanie graduated from Baruch College, where she received a Bachelor of Business Administration in finance and investments, along with a minor in history. She holds the Series 7 and 66 registrations. A New York native, Stephanie resides in New York City and during her leisure time enjoys traveling, cooking and golf.

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**Janne Lee**

*Assistant Vice President  
Wealth Management Associate*

Janne Lee has worked in the financial services industry since 2002. She began her career with the Alternative Investment Group at Oppenheimer prior to joining Excelsior Wealth Management in 2004.

As the group administrator, Janne's responsibilities include opening new accounts, assisting with client requests, including wires and checks, and all other aspects of their daily banking needs. Janne serves as our clients' single point of contact for their administrative needs by interfacing with their trust officers, retirement plan providers and hedge fund managers.

She is Series 7 and 63 registered. Janne holds a Bachelor of Science degree from the University of South Carolina and resides in Manhattan.

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**Chad Levy**

*Financial Advisor*

Chad Levy's main responsibilities on the team are focused around financial planning. Utilizing sophisticated financial and technical tools, he develops in-depth financial plans to aid clients in their current spending and retirement planning. Additionally, Chad is responsible for making introductions for the team as well as servicing his current clients.

He received a Bachelor of Arts in economics from The University of Connecticut in 2013.

Chad started with Excelsior Wealth Management in the winter of 2015 after spending two very successful years at ING Financial Partners out of college building his own book of business and becoming the top producer in his graduating class. He is FINRA® Series 7 and 66 registered.

Chad currently resides in Manhattan. He is an avid tennis player, and enjoys traveling and martial arts.

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**Stacey Smith**

*Registered Client Service Associate*

Stacey Smith has worked in the financial services industry since 1998. She began her career at Prudential when she moved into Manhattan in 1999. In April 2001, Stacey left Prudential with Scott to work at Morgan Stanley and continues to be an integral member of his group.

Stacey's responsibilities include opening new accounts for both retail and institutional clients, assisting with client requests, such as wires and checks, and all aspects of their daily account needs. She handles many of the day-to-day operations, including client orders and executions. Stacey graduated from Binghamton University in Binghamton, New York. She is Series 7 and 63 registered. She resides in Bergen County, New Jersey.

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**Vanessa Kistenmacher**

*Client Service Associate*

Vanessa Kistenmacher joined Excelsior Wealth Management at Morgan Stanley in 2015. In addition to the financial services field, her professional career includes experience in the legal field of immigration law, specializing in cases that supported and provided services to an elite group of high net worth Brazilian nationals. Since 2013, Vanessa has worked as a paralegal at both the Legal Aid Society and Sonia Col & Associates.

Vanessa's responsibilities include day-to-day assistance to client requests as well as provide the principles and team administrative and operational support. Her wide array of daily clerical duties include client interfacing and being a primary point of contact for internal and external resources, along with handling telephones, mailing, filing and processing forms. She is FINRA® Series 7 registered.

Vanessa grew up in Sabaudia, Brazil, and speaks fluent Portuguese. She graduated from the City College of New York where she majored in Interdisciplinary Arts and Sciences, Human Services. In her spare time, she enjoys traveling, biking and going to the beach. Vanessa currently resides in Manhattan.

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**Carolina Chatila**

*Registered Client Service Associate*

Carolina Chatila joined Excelsior Wealth Management at Morgan Stanley in August 2016 after graduating from Boston College with a bachelor's degree in mathematics. Her professional experience includes work as a sales and marketing operations intern for an enterprise technology research and advisory services firm in Boston.

At Excelsior Wealth Management, Carolina functions as a Client Service Associate and her duties include analytical work such as preparing quarterly performance reports for accounts we help manage as well as attending meetings with clients and helping participants navigate their plans. She is FINRA® Series 7 and 66 registered. Carolina grew up in Potomac, Maryland, and she currently resides in Manhattan.

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## Our Commitment

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Morgan Stanley has an exceptional reputation based on product innovation and strong money management platforms. With our global presence and unmatched capabilities in capital markets and wealth planning resources, we expect to remain a dominant force in wealth management for years to come.

We are proud to be part of the Morgan Stanley family because it allows us to provide you with the following advantages:

- A wide range of products beyond traditional investments, including impact investing strategies and alternative investments, access to banking and lending services, donor-advised offerings, trusts and many other services.
- World-class technology to enhance trading and analysis.
- Access to industry-leading analysts and experts.
- Some of the most impressive and extensive research capabilities in the world.
- An 80-year old culture focused on “delivering first-class business in a first-class way.” The firm’s open architecture structure empowers us to identify and recommend the strategies and solutions that best suit your unique situation and goals.

Asset allocation does not assure a profit or protect against loss in declining financial markets. Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

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