Session 2:

Lifetime Planning and Management of a Physical Art Collection

November 4, 2026

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Recap of Session 1

What Are Property Rights in Physical Art? Ownership, rights and valuation

01 Ownership vs. copyright

Buying a work generally transfers the physical object, not the copyright, absent a signed written assignment.

02 What ownership allows

Possess, display, sell, gift, bequeath or loan the work, but not reproduce, license or make derivatives.

WITH THANKS TO OUR IP COLLEAGUES

Amy Brozenic
Bansari Amin

Lathrop GPM Intellectual Property group

Thank you for presenting Session 1 on October 28, 2026. Their foundation on ownership, rights and valuation frames today's focus on managing and planning for a collection over time.

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Today’s Conversation

Move from the object itself to stewardship, structure, and succession

01

The collection as an asset

02

Managing it over time

03

Legal + estate planning

04

Decisions to make now

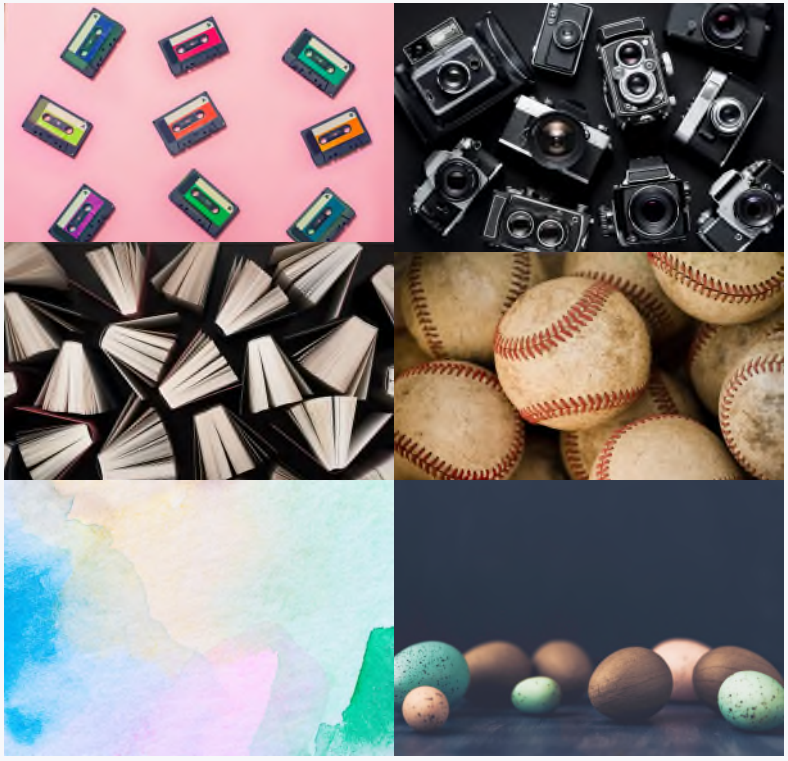
Common thread: preserve value, carry out intent, and reduce avoidable administrative issues.

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Artwork Needs Special Planning

Art often carries identity and memory, but it also behaves like a specialized asset class



Illiquid

A sale can require time, specialist advice, condition review and market timing.

Hard to value

Markets can be opaque and value may vary by purpose, date and methodology.

Costly to hold

Insurance, conservation, storage, security and handling are ongoing obligations.

Tax-sensitive

Transfer structure, valuation, basis, substantiation, and the recipient's use of the property can materially affect gift, estate, and income tax consequences
.

And "collection" can mean far more than fine art.

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Managing the Collection Over Time

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Build a Living Collection Plan

Treat the inventory as a management system, not a static spreadsheet



Trigger a review after a major acquisition, move, conservation event, insurance change, family change or planning decision.

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Appraisals and Records Serve Different Purposes

The “right” value depends on the question being answered

Appraisal cadence

As a practical baseline, consider periodic reviews, with earlier updates after major events.

Purpose matters

Insurance, charitable contribution, gift tax, estate tax and sale planning may require different analyses.

Core records

Invoices, bills of sale, provenance, certificates, images, condition reports and conservation history.

Ownership trail

Records help establish ownership, authenticity, location and authority to transfer.



Do not wait for a loss, audit, incapacity or death to reconstruct the file.

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Protect the Artwork, Not Just the Dollar Value

Different works require different storage, handling and risk controls



SPECIALIZED INSURANCE

Schedule works appropriately; review annually and after major acquisitions or changes.

ENVIRONMENT + STORAGE

Match temperature, humidity, light, mounting and storage to the medium.

EXPERT HANDLING

Use qualified conservators, shippers, registrars and art handlers.

SECURITY + RESPONSE

Document access, alarms, photography and emergency contacts before an incident.

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The Great Wealth Transfer

Collections will pass to heirs whose tastes, homes, priorities and advisor relationships may differ

$124T

projected U.S. wealth transfers through 2048

$105T to heirs
$18T to charity

Have the conversation during life…

- Do intended recipients want the collection?
- Can they house, insure and maintain it?
- Do they understand the collector's relationships and knowledge?
- Should some decisions happen during life instead?

Better planning starts with a conversation, then implement in your estate plan.

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Why Transfer or Donate During Life?

A lifetime decision can preserve context, reduce burden and create a more deliberate outcome

STEWARDSHIP

Place work with a person or institution equipped to treasure and protect it.

LEGACY + RECOGNITION

See the collection used, exhibited or acknowledged during life.

FAMILY CLARITY

Resolve differing tastes and expectations before they become disputes.

ADMINISTRATIVE RELIEF

Reduce storage, shipping, insurance, valuation and fiduciary pressure later.

CURRENT TAX VALUE

Depending on basis, holding period, the intended recipient and use, available deductions, and the donor's projected taxable estate, a lifetime charitable gift may provide a more useful tax benefit than a transfer at death.

ACCEPTANCE CERTAINTY

Confirm the institution wants the work and negotiate conditions before transfer.

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Legal & Tax Planning Considerations

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Possible Ownership Structures

No structure solves every problem

STRUCTURE	BEST USE	WATCH FOR
Individual ownership	Simple control	Probate exposure; continuity and authority may be unclear
Revocable trust	Probate avoidance; integrated administration	Must actually own or receive the collection
Irrevocable trust	Lifetime transfer and governance opportunities	Loss of control (retained use?); valuation, access and administration matter
LLC	Centralized management; units may facilitate lifetime transfers	Formalities, valuation, use and tax treatment require care

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Estate Planning for the Collection

The plan should state your wishes and identify who has authority to carry them out.

What should happen to the art?

Who should receive each work?

Will it pass by gift, bequest, sale or donation?

How do financial and sentimental priorities shape those choices?

Who decides and carries it out?

Who may manage or transfer the artwork?

What powers and standards guide decisions?

What alternatives apply if circumstances change?

Coordinated documents and records

Align the estate plan with collection schedules, gift agreements,

collection records and any entity documents.

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Charitable Planning – Donation of Art

Confirm fit, acceptance and terms before promising a work



1. **Will the institution accept the work?**
2. Is the intended use related to its exempt purpose?
3. What recognition, display, retention or deaccession terms matter?
4. Who may approve amendments as circumstances change?
5. What appraisal, substantiation and filing steps apply?

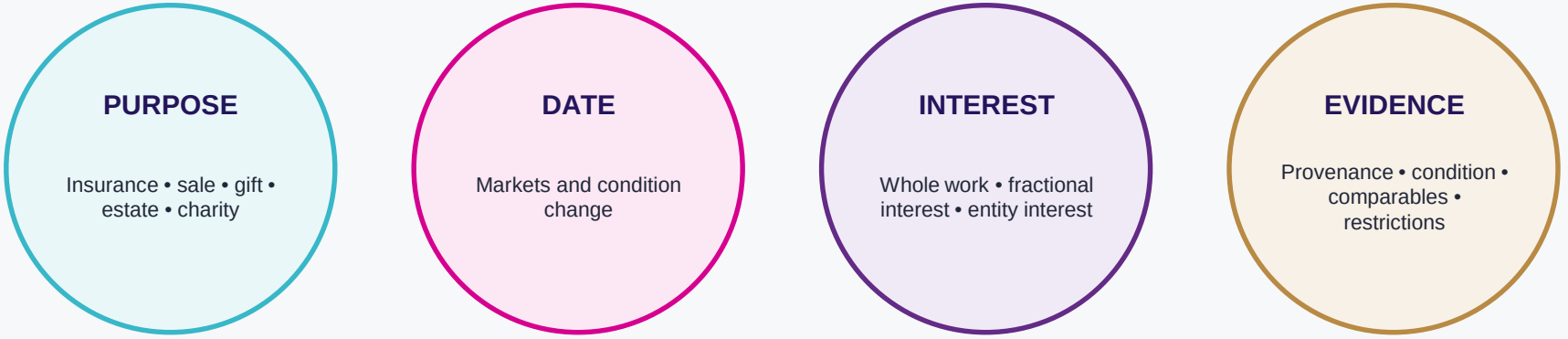
Gift agreement ↔ estate plan ↔ entity documents ↔ collection records

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Valuation

Purpose, date, ownership interest and assumptions can materially change the analysis



Session 3 will go deeper on appraisal standards, methodology and substantiation.

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What Happens When Planning Is Deferred?

Delay shifts cost, pressure and uncertainty to beneficiaries and fiduciaries

TAX + REPORTING

Late or weak valuation, missed substantiation, uncertain basis

FAMILY CONFLICT

Competing expectations, sentimental claims, perceived inequity

LOSS OF VALUE

Poor care, weak provenance, rushed sale, wrong venue or timing

ADMINISTRATIVE COST

Storage, insurance, shipping, court instruction and professional fees

WISHES NOT FOLLOWED

No accepted gift, vague direction, missing authority or outdated plan

MARKET IMPACT

A forced or poorly managed sale may affect both proceeds and an artist's market

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Putting Your Collection Plan into Practice

A practical checklist for collectors and their advisors

01	**Inventory and document**	Know what exists, where it is, who owns it and why it matters.
02	**Protect and maintain**	Align expertise, environment, security, insurance and emergency response.
03	**Discuss and decide**	Test assumptions with beneficiaries and intended institutions.
04	**Structure and coordinate**	Align title, trusts, entities, gift agreements and fiduciary authority.

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Q&A

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