INDUSTRY
FINANCE

SPECIALTY
WEALTH MANAGEMENT

BRIAN WERDESHEIM

Managing Director–Investments
The Summa Group of
Oppenheimer & Co. Inc.
Los Angeles, CA

Brian Werdesheim is a founding member of The Summa Group of Oppenheimer & Co. Inc., a private client financial advisory team that provides wealth management services for affluent individuals and families, as well as owners and executives of private and public companies, family estates, charitable entities, and some of the top tax and legal professionals who serve the business, athletic, and entertainment communities. Werdesheim graduated from the University of Southern California with a Bachelor of Science in Business Administration. He also attended the University of California, Santa Barbara, and Richmond College in London, England. Werdesheim lives in Studio City with his wife and their daughter and son. In his off time, he enjoys travel, golf, running, and participating in other outdoor activities.

PHONE
310/446.7133

WEBSITE
opco.com

EMAIL
brian.werdesheim@opco.com

ADDRESS
10880 Wilshire Blvd.
24th Floor
Los Angeles, CA 900245

CREATE THE STRUCTURE NEEDED TO TRANSFORM AND EXECUTE YOUR VISION AND LEGACY

MAXIMIZING YOUR PHILANTHROPIC IMPACT

The ability of elite financial advisors to deliver timely, high-quality, and actionable guidance with regard to all aspects of a family's wealth management agenda is what often distinguishes them from the pack of advisors who operate with a more narrow focus.

We recognize the importance our clients place on investing their philanthropic dollars. The time spent deciding these matters, within their overall financial strategy, is important to them. We often advise clients on the portion of their wealth that can be allocated to philanthropic giving, yet we have been fairly hands off when it comes to directing where our clients give their time and money. Traditionally, clients identify with several types of recipients: an alma mater, friends' or colleagues' nonprofits, organizations addressing specific and meaningful programmatic areas, or their own charitable organizations, such as family foundations used to grant funds.

With more than 1.8 million active nonprofits in the U.S., finding the right grantee and doing the due diligence of the charitable and financial standing of each takes time, knowledge, and expertise. The process typically includes examining an organization both internally with their staff and board as well as externally with the IRS. Additionally, setting up a traditional foundation requires an extensive amount of administration to handle the legal, tax, and financial management, let alone identifying and selecting recipients of quality. This landscape had not changed for much of the last 30 years—until recently.

The rapid growth of donor-advised funds (DAFs) over the past few years, and the rise of "impact investing" in social enterprises and funds, has given donors a whole new set of options when it comes to thinking strategically about their charitable contributions. We see an important new role in helping our clients navigate these options, identifying the most beneficial and effective vehicles for their family and financial situation.

As lifelong partners to our clients and their families, we discuss an array of needs, work with their trusted advisors, and develop a plan for education, healthcare, and retirement. Now we are adding philanthropy to that list to bring structure, education, and guidance as they navigate the rapidly evolving dynamics of charitable giving.

In response to our clients' needs, and to educate ourselves on the current landscape, we have begun to work with Leah Bernthal, an

QUOTE:

THINK OF A DONOR-ADVISED FUND AS A CHARITABLE INVESTMENT ACCOUNT. YOU CONTRIBUTE ANY AMOUNT– FROM THOUSANDS TO MILLIONS–AND RECEIVE AN IMMEDIATE TAX DEDUCTION. YOUR FUNDS ARE THEN INVESTED FOR TAX-EXEMPT GROWTH TO HELP INCREASE YOUR LONG-TERM PHILANTHROPIC DOLLARS.

experienced nonprofit executive and philanthropic strategist in Los Angeles. Together, we are working to address the varied needs, abilities, and goals of those who are charitably inclined, who don't have the comprehensive knowledge, time, and/or ability to implement their desired intentions.

Charitable conversations usually come up when there has been a financial windfall—athletes who have signed a new contract, writers who have sold a script, actors who have secured a TV series, founders who have sold their company, or families coming into an inheritance. The sudden influx of dollars not only requires much planning but also leads to questions about charitable donations and tax deductions. Many high-profile athletes and entertainers start a foundation to channel funds and awareness toward a specific mission close to their heart while simultaneously generating positive PR and media. This is a great option for clients with these dual goals. We also see many clients establish family foundations at this time—setting up a vehicle for their values and funds to support impactful nonprofits for generations to come. However, as mentioned above, foundations require a high level of oversight and administration, as well as knowledge about charitable organizations that align with mission and funding goals.

"The level of engagement to establish and maintain a foundation works well for some individuals—it provides a sense of ownership, purpose, and true connection to a specific mission and grantees. But the ongoing administrative requirements and overwhelming number of nonprofit organizations can be a daunting deterrent for other potential donors," explains Bernthal. "Contributions to donor-advised funds (DAFs) have surged since 2012 because they offer individuals a turnkey, tax-advantaged, tech-savvy alternative to setting up a traditional foundation. DAFs are very attractive to the modern donor and are changing the face of philanthropy."

Think of a donor-advised fund as a charitable investment account. You contribute any amount—from thousands to millions—and receive an immediate tax deduction. Your funds are then invested for tax-exempt growth to help increase your long-term philanthropic dollars. You have complete control over where and when those funds are distributed to nonprofit organizations, allowing for time to understand philanthropic priorities, research grantees, and modify giving, to align with your interests and financial situation at each stage of life. DAFs accept a wide variety of assets including cash, stock or mutual fund shares, cash equivalents, private equity and hedge fund interests, real estate, art and certain complex assets (such as privately held C-corp or S-corp shares) which provides the flexibility to truly customize your contributions over time. DAFs are a convenient, tax-advantaged platform to kick-start your philanthropic plans.

Additionally, we are beginning to encourage our clients to think beyond charitable donations and to consider impact investments as part of their philanthropic portfolio. Impact investments are opportunities that help create social and environmental change, fuel innovative and often tech-driven solutions to global challenges, with the goal of producing financial returns. A recent study by the Global Impact Investing Network reported that the rising pool of impact investing assets is nearly $114B in assets under management.

The Summa Group of Oppenheimer & Co. Inc., and other leading wealth management teams, often find that their clients are so busy with work and families, and so talented at what they do—especially in sports and entertainment—that we have become a trusted resource to help them identify worthy charitable giving vehicles for their needs and priorities. We are also a sounding board for discussions and decisions relating to recipients. This has not traditionally been a skill set housed in a private wealth management firm, but it has led us to begin thinking about our clients' philanthropic portfolio in much the same way that we think about their financial portfolio—where and how to "invest" dollars to help achieve the most impact in the social areas they want to influence and see change. There are many similarities when looking at the due diligence performed on money managers and non-profits. We apply both a qualitative and quantitative evaluation effort when analyzing the merits of an investment strategy, and the same can be said about evaluating the nonprofit world.

"In order to design a strategic and impactful philanthropic strategy, it is important to understand each client's story, values, and goals—the issues that move them to action, the communities that they want to impact, the time they want to commit, the legacy they want to leave," says Bernthal. "What do they and their family want to see accomplished in 10, 20, 30 years? They should be able to look back on the philanthropic dollars they have invested and the time they have volunteered and clearly see how they have made a difference." Leah can add a whole new dimension to our conversations and relationships with our most important clients. Being able to have a high level and highly educational conversation with the parents, kids and sometimes even the grandkids about their legacy, and how best to make an impact, is very rewarding for everyone involved.

People who have reached the pinnacle of success in the world of entertainment and professional sports have gotten there for a reason. Focus, grit, talent and sacrifice have been the cornerstones of their achievement, and therefore their attention has not necessarily been on philanthropy and giving. Success in attaining long term financial independence and security is often a function of the strength of their legal, tax and financial advisory relationships. Top advisory teams like The Summa Group work in concert with a family's most trusted advisors to help bring order and discipline to all aspects of their financial and philanthropic objectives.

We are beginning to delve into these issues with our clients to help develop a strategy for their giving, and to measure the impact of their philanthropic portfolios. We are excited to be paving the way for the next generation of generous individuals to use their wealth for the greater good.