

The Art and Special Collection Lifecycle

1

Acquisition (Purchase, Inherit)

- Investor vs. collector
- Due diligence
 - Provenance
 - Valuation
- Purchase agreements
 - Legal protections
 - Physical possession and/or copyright
- Ownership interest
- Tax issues
- Financing
- Transportation & security

2

Ownership

- Inventory/appraisal
- Maintenance and care of artwork
 - Physical security
 - Insurance
- Business management
 - Copyright
 - Agreements/loans with galleries/museums
- Choice of entity
 - LLC
 - Family limited partnership
 - Private foundation

3

Disposition

- Gifts to individuals and/or institutions
 - Lifetime planning
 - Testamentary planning
 - Valuation
 - Tax planning
- Sale
 - Income tax basis and tax rates
 - Proceeds
 - Sales contract