

Of Counsel Interview ...

Attorney for the Stars Provides Encouragement and Help for Their Philanthropy

For their cover photograph on an early 21st century entertainment issue of *The Los Angeles Lawyer*, the editors featured Jeffrey Katzenberg, former CEO and co-founder of Dreamworks Animation and Hollywood icon, and Bradford Cohen, an influential tax, business and trusts and estates attorney for many celebrities and other high net-worth people.

“Brad tried to convince Jeff and the editors to do the photo with Jeffrey holding Brad in a headlock – that was Brad’s idea of a striking cover photo,” recalls Michael Foster, a partner at the Venable law firm and a long-time friend and colleague of Cohen’s; the two practiced together as law firm partners for nearly three decades.

Although the magazine went with a different pose for their cover shot, Foster recounts this anecdote because he says it reveals two different personality traits of Cohen, now a partner with LA-based Jeffer Mangels

Butler & Mitchell. “It shows the caliber of the person he deals with professionally, and it shows that he has a very human side to him,” Foster says. “While Brad’s got this playful side, his client list includes presidents [and high rollers like Katzenberg] and that speaks to who he is substantively.”

Clearly, Cohen, who Foster calls “unique,” connects with and gains the trust of the high-profile clients he serves in his multi-layered and diversified practice, in part because of the candor he deploys in counseling them. “He’s not afraid to tell clients what they need to hear whether they want to hear it or not,” Foster adds. “But he does it in a way so that they appreciate his willingness to say it, in no uncertain terms.”

One way in which Cohen’s distinctive approach to legal counseling manifests is through his personal commitment to

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Of Counsel Profile

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philanthropy. He advises clients on their involvement and investment in charitable endeavors, often serving as the person who most strongly encourages clients to get involved in the first place. In one such effort, he acted as principal counsel representing the lead donor who financed the acquisition, delivery, and permanent exhibition of the Space Shuttle Endeavour located at the California Science Center in Los Angeles.

Recently *Of Counsel* talked with Cohen about his career, focusing much of the conversation on this charity-driven component of his work. The following is that edited interview.

Taxes: “Fun Stuff”

Of Counsel: What was it that made you want to become a lawyer, Brad?

Brad Cohen: I didn’t think I was going to become a lawyer. I thought that I was going to go into business. I thought accounting would provide me with the best base of knowledge to be used in business. Then once I was in accounting at Northeastern University, I was in a work-study program and spent a lot of my work at the IRS, where I realized, “Wow, this is a real racket if you know what you’re doing.” [laughter]

That’s where I caught the bug to get into tax. I wasn’t good at doing tax returns nor did I want to do them. But I noticed that the real action and the fun stuff, the planning, the structuring, and all of that, happened because of people with law degrees. So I looked around and saw what my options were for law school. I ended up living at home and going to law school on Long Island. At some point, I recognized that New York University LL.M [law school track] was the ticket to

get into this field. Initially, I was working part-time in Manhattan in rock ‘n roll, but I then went full-time to law school because I realized it was too difficult to work and go to school. I finished up my law school education at NYU in January 1981.

So I started off with accounting in mind but I recognized that, within accounting, tax was the most critical, most fun piece. And, that’s the direction I went.

OC: Where did you go after you got your degree from NYU?

BC: I was working in New York City and doing entertainment and tax work at a small law firm. I was working for rock ‘n roll dance clubs, and I was also doing some entertainment/corporate work. I came out to California in 1983 for negotiations regarding the Silver Cup Studios, which was then an abandoned bread factory. I worked on raising money to convert it to a studio and spoke to some people at Fox to try to get them to use that facility. In the course of those discussions, I met with Mickey Rudin, a very famous entertainment lawyer, and Marty Appel and before you knew it I had a job offer with Rudin, Richmond & Appel in Beverly Hills. They wanted me to be the tax guy. I loved the entertainment stuff, so this really launched me into that area.

OC: When did you migrate over to Jeffer Mangels?

BC: Just recently. It was in May of 2016.

OC: So that was a year ago. I imagine you’ve had many twists and turns in your career at various places.

BC: Yes, I’ve had several zigs and zags.

OC: Yes, and you’ve done a lot of very intriguing work for a lot of fascinating people.

BC: It’s been really wonderful. I sometimes sit back and say to myself, “This is amazing how it’s worked out.”

Philanthropy: A Family Project

OC: When you think about some of the matters you've handled that were particularly intriguing or challenging or satisfying, what one or two come to mind?

BC: As a tax lawyer, I have to be very careful about what I talk about. What I can talk about is bringing the space shuttle to Los Angeles—that was an important one. I was able to help the donors make the decision to make that investment, that donation, and help facilitate that move.

I find it very satisfying to work with high net-worth people and help them to think outside of themselves and their families to try to do something that's a little special [for a worthy cause] and helps society in general. Of course, I let them pick what the issue is. I feel a lot of gratification when I'm able to do that.

OC: I think that's very interesting and was one of the reasons that I thought *Of Counsel* readers would be intrigued to read about you and your career. You, and probably more importantly, your high net-worth clients have a real commitment to spread the wealth, so to speak.

BC: Yes, it is, “more importantly,” the clients who are doing this. I do it some but ...

OC: I'm guessing they have more resources to pass around. [laughter] When you talk to your clients about sharing the wealth by donating to a philanthropic mission or project, how does that work, and I'm sure that everybody is different in the way they think about this and do it?

BC: You're right about everybody being different. I try to draw it out of them. I bring it up but I don't push too hard. Let me jump around here a little bit: My practice is a hybrid practice. I do everything from tax and corporate transactions to wills and trusts. It blends, back and forth, within those areas. And, I have the opportunity to discuss

[philanthropy]; I try to put it on the agenda. For example if there's a liquidity event—a client sells a company and all the sudden they have all this liquidity—I talk to them. Actually, it's before the company is sold when you want to discuss this with them. You pre-structure it so that it's most efficient from a tax standpoint.

You raise the idea of philanthropy as an item of discussion. For example: “Your kids are going to [inherit plenty of money] so they will be taken care of. Is there something you care about, a cause, a charity?” I talk about what they've been doing during their lifetime.

I think I've been most successful when the clients do have kids, and I bring the kids into this part of the discussion. So instead of a philanthropic program, it becomes a family project. You encourage them to make plans to meet quarterly or whatever. You set it up so that there are formal sit-downs with the children and discuss philanthropy with them. In my view, this is all just as important or perhaps more important than the money that they will inherit because it really changes their character.

You can start really early too. The kids can be quite young and, in a limited way, be engaged and participate in this. First, you can have them go online and search for things that they care about. Maybe you give them the budget and say, “Hey, now you got X amount of dollars. Where would you like to deploy that? What kind of charities are you interested in?” This begins the process of having the kids think outside of themselves, and I'm very grateful when that happens.

You can really changes things. A lot of times estate planning mostly kicks in after they've passed away. But here's an opportunity to engage with their kids. It's an ethical legacy and moral legacy and philanthropic legacy in addition to giving the property [to the heirs].

OC: That's great. I'm guessing you're probably helping to prevent some of these kids from growing up to be spoiled little rich

kids who get everything they want and only think about themselves. But as you help them to think outside of themselves, as you put it, you must get a lot of satisfaction from that.

BC: Yes, but I don't give myself that much credit. I think maybe I'm scratching the surface. I don't think I have all that much influence.

OC: You certainly get the ball rolling, and then you watch and see what takes shape.

BC: Absolutely.

OC: What types of organizations do your clients want to give to? Are they environmental groups? Are they helping the poor? Is it education?

BC: Of course it's rare that I get the opportunity to select which groups. I try to draw the categories from the clients because a lot of times the clients are not necessarily doing the kinds of things that I would want to do. It's not my money. It's about getting them down this path. But yes, environmental causes are big. Religion is sometimes big. If someone is suffering from a particular disease in their family, they will donate money for research about that disease. Animals are often important to my clients.

I can tell you about one particular case because it's in the newspapers. The Sam Simon Estate has donated millions of dollars to benefit animals [including service dogs for returning veterans suffering post-traumatic stress disorder and the hearing-impaired] and other causes as well. [Simon was the co-creator and producer of "The Simpsons."]

Here's another idea that has played out nicely. I introduce and create a philanthropic mission that the client sits down and discusses either with me or another outside professional where they get into great detail about what their philanthropic mission is. They can implement that during their life and it can be implemented after their death. It's a well-thought-out piece that gives a lot of

direction to the family. If you're concerned about mission creep, now you have a written document that leaves no question about what the client wanted.

In addition, philanthropic advisors can also help vet certain organizations to see how successful they are and how efficient they are and what percentage goes to fundraising and what percentage goes to actual operations to further the cause.

Giving Must Be Genuine

OC: That's very admirable.

BC: Again, it's not the central part of what I do but I always try to introduce it as a component. Sometimes you have to chip away at it. Often the first time you bring it up you don't really hear too much in return. I have what's kind of a secret way to get into a discussion. When you do estate planning, you want to try to cover every eventuality. Essentially, I say this: "If a nuclear bomb goes off and kills all the people who you know, who's going to end up getting the property? So rather than have some distant heir that you've never heard of or seen get it, I suggest you consider two or three categories [of charities or causes]."

So the initial time that the charity gets introduced into the mix, it's very unlikely that the charity will ever see a penny. But at least they're in the document and this gets the client thinking about it. And again, I don't do this in a way that's pushy. But over time the client might consider upgrading the charity's position on some level.

OC: This all occurs after you have built up trust with the client so that he or she knows that you're always looking out for his or her best interests.

BC: Yes, and at some point the kids get older and perhaps the client's wealth is greater. The kids are launched into their own successful careers. There is less concern about

what their needs are, and they understand the value of it.

A lot, but not all, of our clients are public figures. Now there are many stories about the kids of public figures who are suffering more difficulties than just regular mortals. As a result, our clients often see the charity as a viable alternative.

I don't want to be cynical about this, but a lot of times this sort of giving is good for their business or the career of the client. As long as it's sincere, it's good for them to get involved in the charity. It can't be manufactured. But it's good for them to become known as someone who gets involved with charity.

OC: Thank you for explaining this part of what you do for clients. On a related note, how does the work that you do with clients regarding charities help the business of Jeffer Mangels? To what extent does this work benefit your practice and the firm at large?

BC: Well, we do a lot of nonprofit work as well. We get in the mix of helping charities and all of this helps me get access to and work with charities. So it's good in that regard. I haven't done a good job of marketing my nonprofit practice or charitable-contribution practice. I do get calls from a lot from business managers and accountants asking me questions. But I'm not so sure that I'm selected because of the [charitable work]. It's hard to know.

OC: I was hoping you could talk about a few individuals and organizations. For example, what sports teams have you worked with?

BC: I really don't want to get into it. But I represented some people in making acquisitions; some were successful and some were not. They involve a professional basketball team and a professional baseball team. Right now, there's a possible professional football team. I've represented sports figures, often regarding estate planning or multi-state tax issues.

OC: What former presidents have you served?

BC: I represented Ronald and Nancy Reagan for a long time as their personal counsel. And then I did a project for Bill Clinton. I spent a lot of time with the Reagans and felt like I got to know them quite well and they got to know me. With Clinton, it was just a project, but it was interesting.

OC: It's clear that you do a lot of different types of work for a wide variety of clients. I'm sure there are some challenges to practicing this way, but you choose to do it. So what do you like about that?

BC: Oh, I love it because every day is a new day. I started out as a hybrid attorney a long time ago. I was trained as a tax attorney and came to estate planning later. I felt it was the best way to practice because in the real world there are no fine lines between tax and estate and business. It all kind of gets mashed together, unless you're dealing with billion-dollar transactions, which I'm not. People come to you with real problems and they crossover. I felt that I was able to offer the best legal advice by using a holistic approach, and that has worked out very well. ■

—Steven T. Taylor