



CATHERINE B. EBERL

Partner

ceberl@hodgsonruss.com 716.848.1237

Catherine blends her deep knowledge of estate tax and trust income tax to develop creative plans and solutions for her clients. She works with a broad range of clients, including business owners, high net worth families, and families with U.S.-Canadian cross-border complexities, to address their individual needs.

Unique Estate Plan Issues

Catherine is fluent in the techniques used to minimize estate tax and maximize the legacy that clients can leave to their intended beneficiaries. But estate planning is more than just tax planning, and frequently the most challenging and complex plans are driven not by estate taxes, but by family dynamics. Catherine works with each client to customize their will, trusts, and estate plan to the client's unique family circumstances. Catherine advises clients on how to navigate estate planning for second marriages and mixed families, how to maximize protecting a child's inheritance from a potential divorce, and how to preserve assets in "dynasty trusts" for generations to come.

Family Business Succession Planning

In addition, having grown up in a family business that is now in its third generation, Catherine understands the rewards and challenges of family businesses, and the planning and foresight it takes to transition the business down to the next generation.

Charitable Giving Planning

For clients who wish to incorporate charitable intent into their estate plans, Catherine provides advice with respect to the numerous options available, including private foundations, donor advised funds, and charitable trusts. As a member of the Exempt Organizations Practice team, Catherine advises private foundations and public charities on best practices for effective governance and IRS compliance.

The Guaranty Building
140 Pearl Street
Suite 100
Buffalo, NY 14202

New York City
605 Third Avenue
Suite 2300
New York City, NY 10158
212.751.4300

Toronto
Practice restricted to U.S. law
22 Adelaide Street West, Suite 2050
Toronto, ON M5H 4E3
416.595.5100

Practices & Industries

Trusts & Estates
Canada-U.S. Cross-Border
Trusts & Estates Controversies
Private Wealth Planning
Family Business & Succession
Planning
International Tax
State & Local Tax
Tax Residency
Tax-Exempt Organizations

Bar Associations

Bar Association of Erie County

CATHERINE B. EBERL

State Income Tax Planning for Trusts

Catherine has developed deep expertise in the area of state level income tax planning for trusts. She counsels clients and their accountants on how to use trusts to minimize state level taxes, and how to employ multi-state plans. Catherine is frequently asked to present continuing professional education classes on this topic, and she has published numerous articles on fiduciary income tax planning.

Surrogate's Court Controversies

From time to time, factors including family discord, a poorly prepared estate plan, or an inept or criminal Executor or Trustee, can prevent an estate plan from being administered in the manner it was intended. When this occurs, Catherine leverages her many years of experience in Surrogate's Court controversies to represent her clients in trust and estate litigation. Catherine has been successful in petitioning the court to remove Trustees, fighting contested accounting proceedings, and in one of her proudest professional moments, recovering assets that a Trustee had embezzled from a trust so that the funds could be paid to the intended charitable beneficiaries.

Honors

- Listed, *Best Lawyers in America*, "Lawyer of the Year" (Trusts and Estates) 2023
- Listed, *Best Lawyers in America* (Trusts and Estates) 2013 - 2024
- 2020 Best Article Award, STEP Canada
- Listed, *Upstate New York Super Lawyers Rising Stars*, 2013 - 2017
- Leadership Buffalo Class of 2016
- Order of the Coif, Boston College
- College of the Holy Cross Athletic Hall of Fame (Rowing)

Experience

Hodgson Russ created a family limited partnership during the economic downturn. Our client sold a portion of his limited partnership interest to a multigenerational, generation-skipping grantor trust in an income tax-free sale, freezing the value of the limited partnership included in his estate. Our client contributed a portion of his remaining limited partnership interest to a multi-year grantor retained annuity trust. The market recovered, and the value of the limited partnership rebounded, with the result that client had successfully removed tens of millions of dollars from his taxable estate into trusts for his descendants.

New York State Bar Association

Ontario Bar Association

Admissions

New York

Massachusetts

U.S. Tax Court

Foreign Legal Consultant, Law
Society of Upper Canada

Education

College of the Holy Cross, B.A.,
cum laude

Boston College Law School, J.D.,
cum laude

CATHERINE B. EBERL

A Hodgson Russ client wanted to leave a family business to the next generation, but it was unclear which members of the next generation, if any, were able and willing to take over the business. Hodgson Russ worked with the client to develop a business succession plan whereby the company would be owned by a trust, with the client's advisors acting as trustees. In accordance with the client's directions to the trustees, the trustees were given the discretion to pick which child would become CEO of the company and to distribute the voting stock to that child.

A Hodgson Russ client wished to make income tax-deductible charitable contributions to charities in a foreign country. While individuals are not permitted to claim an income tax deduction for donations to foreign charities, an individual may claim an income tax deduction for donations to a private foundation, and the private foundation may make international grants. Hodgson Russ worked with this client to form a private 501(c)(3) foundation so that client could support his preferred international charities while still enjoying a federal income tax deduction.

Hodgson Russ collaborated with a client on the purchase, structuring, and financing of a large life insurance policy designed to offset estate tax and provide a significant inheritance at a relatively low transfer tax cost. Utilizing a strategy commonly known as "premium financing," the client created an insurance trust and arranged for that trust to borrow money from a banking institution to pay the annual insurance premium. Under the structure, the client only pays the interest on the loan, allowing the client to obtain a significant insurance policy while utilizing a minimal amount of the client's federal transfer tax exemption. A team of attorneys in the Estates & Trusts, Finance, and Tax Practices worked with the client to establish the insurance trust, negotiate the loan documents, and analyze the tax implications associated with the various financing and structuring options.

Charities were named as the beneficiaries of a multimillion-dollar estate. During the course of the estate administration, it became clear that the decedent's advisors had diverted assets from the decedent, and then later from her estate, to themselves. Hodgson Russ initiated litigation in Erie County Surrogate's Court to recover the decedent's assets for the charities, successfully making the charities whole and honoring the decedent's charitable intent.

A Hodgson Russ client wished to purchase tens of millions of dollars of life insurance to provide liquidity to pay for estate tax on family owned business, but the amount of the insurance premium was prohibitive if the client were to pay the premium. If the client's company decided to pay the premium, the client would have to include the whole amount of the premium in taxable income, dramatically increasing his personal income tax bill. Hodgson Russ worked with our client to implement a split-dollar life insurance plan so that the company could pay the premium on the policy while minimizing the amount that our client would have to include in income. In addition, the life insurance was purchased via a life insurance trust, removing the death benefit on the insurance from the client's estate and increasing his children's inheritance.

Hodgson Russ represented the Trustee of a trust that converted from a taxable New York resident trust to an exempt-resident trust in a multi-million dollar New York tax audit. At issue was whether the gain realized by the trust as the result of a substantial business transaction involving the termination of an S election was reportable on the last day of the resident period or on the first day of the exempt-resident period. Hodgson Russ took the matter through audit to a BCMS conference. New York ultimately agreed that the income was recognized in the exempt-resident period and therefore not subject to New York income tax.

CATHERINE B. EBERL

In the News

Thought Leaders - Family-Run Businesses in Buffalo
Buffalo Business First, February 19, 2021

A Pandemic is the Perfect Time to Make an Estate Plan
Chronicle of the Horse, May 20, 2020

Work/home delineation important for family-run businesses
Buffalo Business First, May 18, 2018

Fifty-Five Hodgson Russ Attorneys Named to *Best Lawyers* 2014
August 28, 2013

Fifty-Four Hodgson Russ Attorneys Named to *Best Lawyers* 2013
August 30, 2012

Five Hodgson Russ Attorneys Admitted to New York State Bar
April 11, 2007

Press Releases

83 Hodgson Russ LLP Attorneys Ranked in 2024 Edition of *Best Lawyers in America*
August 17, 2023

71 Hodgson Russ Attorneys Ranked in 2023 Edition of *Best Lawyers in America*
Hodgson Russ Press Release, August 19, 2022

55 Hodgson Russ Attorneys Ranked in 2022 Edition of *Best Lawyers in America*
Hodgson Russ Press Release, August 19, 2021

55 Hodgson Russ Attorneys Ranked in 2021 *Best Lawyers in America*
Hodgson Russ Press Release, August 20, 2020

52 Hodgson Russ Attorneys Named to Various *Best Lawyers* Listings
Hodgson Russ Press Release, August 20, 2019

48 Hodgson Russ Attorneys Named to Various *Best Lawyers* Listings
Press Release, August 15, 2018

Seventy Hodgson Russ Attorneys Named to 2017 Upstate New York Super Lawyers, Hugh Russ Listed Among Top 50
Press Release, September 6, 2017

Fifty-two Hodgson Russ Attorneys Named to 2018 *Best Lawyers* Listing, Five Included in “Lawyer of the Year” Categories
Press Release, August 15, 2017

CATHERINE B. EBERL

Sixty-three Hodgson Russ Attorneys Named to 2016 Upstate New York Super Lawyers, Hugh Russ Listed Among Top 50
Press Release, August 31, 2016

2017 Best Lawyers Names Fifty-four Hodgson Russ Attorneys From Multiple Offices
Hodgson Russ Press Release, August 18, 2016

Publications

New Jersey Enacts Major Changes to Corporate and Gross Income Tax
Hodgson Russ LLP State & Local Tax Alert, July 6, 2023

New York State Budget Notes – May 5, 2023
Hodgson Russ State and Local Tax Alert, May 5, 2023

New Jersey Tax Laws: Out with the Old and In with the New Tax Laws in 2023
Hodgson Russ SALT Alert, January 3, 2023

Tax Updates from New York City – September 2022
Hodgson Russ TriState Tax Alert, September 12, 2022

Tax Provisions of Interest in New York's 2022-23 Budget
Hodgson Russ State & Local Tax Alert, April 12, 2022

Tax Updates from New Jersey - March 2022
Hodgson Russ Tristate Tax Alert, March 28, 2022

New Jersey Enacts Amendments to its SALT Cap Workaround
Hodgson Russ New Jersey Tax Alert, January 21, 2022

Tax Updates from Connecticut, New Jersey and New York City - January 2022
Hodgson Russ Tristate Tax Alert, January 18, 2022

New York State Legislative Developments For Tax-Exempt Organizations/Nonprofits
Hodgson Russ Tax-Exempt Organizations Alert, December 15, 2021

New York Taxation of Trusts: In-Depth Review and Planning Opportunities
Trusts and Estates Law Section Journal - NYSBA, December 12, 2021

Presentations & Events

Tax-Exempt Seminar: Current New York State & IRS Enforcement Efforts
140 Pearl Street, Suite 100, Buffalo, New York, 14202, April 25, 2024

Advising International Charitable Organizations With U.S. Donors and U.S. Investments
NYSBA, August 8, 2022

CATHERINE B. EBERL

Current Trends in Charitable Planning

NYSBA - Trusts & Estates Law Section, April 28, 2021

Planning with IRAs After the SECURE and CARES Acts

Financial Planning Counselors of WNY, July 22, 2020

Hodgson Russ/FAE COVID-19 Webinar Series

Foundation for Accounting Education: An Affiliate of the NYSSCPA, April 1 & 2, 2020

SCOTUS Kaestner Ruling on State Trust Income Taxation: Key Considerations for Trusts and Estates Counsel

October 1, 2019

State Income Tax Treatment of Nonresident Trusts: Compliance Challenges and Planning Opportunities

Strafford, June 25, 2019

Hodgson Russ Seminar: Current Trends in IRS and New York State Enforcement Efforts for Tax-Exempt Organizations

Hodgson Russ, The Guaranty Building, 140 Pearl Street, Buffalo, NY, November 13, 2018

US-Canadian Estate Planning for Cross-Border Clients

October 30, 2018

2018 Summer Tax Series

Understanding New York State Tax Issues of 2018

The Harvard Club 35 W. 44th Street, New York, NY, June 13 to August 1, 2018

Blog Posts

- New Jersey Income Tax Planning Opportunity: Delaware Trusts

Noonan's Notes Blog, May 15, 2019

Professional Affiliations

- New York State Bar Association
- Bar Association of Erie County
- Ontario Bar Association
- Co-chair, NYS Bar Association International Estate Planning Committee

Community & Pro Bono

- Member, Finance Committee: Nativity Miguel Middle School of Buffalo