

THE WALL STREET JOURNAL.

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U.S.

Tom Clancy's Widow Wins Legal Battle Over Taxes on \$86 Million Estate

Judge rules trust for grown children must shoulder the bill



Tom Clancy's widow has scored a legal victory in a long-running dispute over who should foot the hefty taxes on the author's estate, which includes a rare World War II tank. *PHOTO: CARLOS OSORIO/ASSOCIATED PRESS*

By **SCOTT CALVERT**

Aug. 24, 2015 1:55 p.m. ET

BALTIMORE—Tom Clancy's widow has scored a legal victory in a long-running dispute

over who should foot the hefty taxes on the best-selling author's \$86 million estate, which largely comes from a minority share of the Baltimore Orioles and includes a rare World War II tank.

Siding with Alexandra Clancy, a Baltimore judge ruled Friday that no taxes will come from the two-thirds share of the estate of which she is sole or main beneficiary. Instead, he ruled the entire \$11.8 million tax bill is to be borne by the roughly \$28.5 million trust that Mr. Clancy, who died in 2013, left his four adult children from his first marriage—a 41% tax hit.

The four children wanted the tax bill split evenly between their trust and a family trust of which Ms. Clancy is the main beneficiary. That would have raised the overall estate taxes to \$15.7 million and divided it between the two sides at \$7.85 million apiece.

If the judge's ruling survives a potential appeal, Ms. Clancy would avoid paying the \$7.85 million, while the adult children would owe nearly \$4 million more than if they had prevailed in the case.

Although "some evidence" indicated Mr. Clancy wanted the family trust to help shoulder the tax burden, probate Judge Lewyn Scott Garrett wrote in his ruling that much of the evidence supported Ms. Clancy's claim that her inheritance should be tax-free.

The judge pointed to language in the will that he said offers "the clearest and the predominant evidence" of Mr. Clancy's intent, and he said that can only be achieved if his widow's portion pays no tax. Her roughly \$57.5 million share of the estate consists of the family trust and a tax-exempt marital trust. She and Mr. Clancy had a daughter, who is a minor.

Jeffrey Nusinov, Ms. Clancy's lawyer, said in a statement, "We are pleased with the court's thorough, well-reasoned opinion on this important issue." Mr. Nusinov, managing attorney of the Baltimore law firm Nusinov Smith LLP, declined to comment further.

Sheila Sachs, attorney for the adult children, said she would review the decision with her clients before considering an appeal.

Mr. Clancy, who died at the age of 66, made his fortune writing techno-thrillers featuring the exploits of fictional Central Intelligence Agency analyst Jack Ryan.

Much of his estate consists of a 12% stake in the Orioles, valued at \$65 million, according to court papers filed last year.

Mr. Clancy's fascination with military equipment was on display in such best-sellers-turned-blockbusters as "The Hunt for Red October" and "Patriot Games." Court filings detailed some unusual assets, such as a 1943 M4A1 Sherman tank known as a Grizzly. He kept it at a 535-acre Chesapeake Bay estate valued at \$6.9 million.

An inventory filed with the court said Mr. Clancy had 26 "handguns and long guns of various makes and models" worth about \$35,000.

Tom and Alexandra Clancy's joint assets included six penthouse condominiums spread over 17,000 square feet at the Ritz-Carlton Residences on Baltimore's Inner Harbor.

Judge Garrett's ruling also restores J.W. "Topper" Webb to his role as the Clancy estate's executor, called a "personal representative" in Maryland. Mr. Webb drafted a 2013 amendment, known as a codicil, to Mr. Clancy's will, and his law firm advised Mr. Clancy on estate planning.

The judge said his ruling rendered "moot" the dispute between Mr. Webb and Ms. Clancy over his interpretation that the family trust was required to share in the estate taxes. Mr. Webb didn't immediately respond to a request for comment on Monday.

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