

## MONEY MATTERS

# Treasure Hunt

*'Gifting,' a popular estate-planning tactic, doesn't have to be about money*

By SCOTT R. SCHMEDEL

**H**OW ABOUT taking your son or daughter on an \$11,000 shopping spree, without raising an eyebrow on your tax accountant's face?

If that teaser grabs you, here's the pitch:

You're probably aware of the estate-planning tactic that involves annual gifts to children and grandchildren. That is, you may give tax-free as much as \$11,000 a year to each of as many relatives and other people as you like. So may your spouse. Each gift, cash or property, not only is free of federal gift tax but also reduces your taxable estate.

Still, you may not want to hand so much money to a young adult—or to an older one, for that matter. A check seems so impersonal—and so spendable. So, here's an alternative: Instead of cash, give art or other collectibles of enduring value.

You could give an original photograph by Ansel Adams during this year's centennial celebration of the artist's birth. How about a letter signed by the Emperor Napoleon, a bottle of 1858 Madeira, or any combination of distinctive rarities up to a total value of \$11,000?

With the guidance of experts, we decided to explore three areas for connoisseurs—photographs, autographs and wine—to see what \$11,000 could buy. Established markets help determine prices in each of these fields, and dealers say the markets have remained solid despite the sluggish economy.

By the way, the 2001 federal tax legislation, which provides for repeal of the estate tax in 2010, doesn't repeal the gift tax. Thus the new law doesn't negate the benefit of tax-free gifts, notes Bruno Graziano, senior estate-tax analyst for CCH Inc., a provider of tax and business law information and software based in Riverwoods, Ill.

Of course, there are some risks and responsibilities. The recipient may prefer hard cash and sell your gift. Your choices could lose rather than gain market value. And you have to hang onto your receipts and appraisals for tax purposes.



## AUTOGRAPHS

Around 1500, great personages who at last had learned to write began to sign documents and letters, says Kenneth W. Rendell, an autograph dealer based in Wellesley, Mass.

Thereby hangs a trail of coveted paper that descends from figures such as Queen Isabella of Spain to President George W. Bush. Mr. Rendell recently offered for \$17,500 a 1500 letter from Christopher Columbus's patroness to her

chamberlain. The value of a "W" remains to be established by history. However, Mr. Rendell, who is fascinated by history's characters and who began trading in autographs more than 40 years ago at age 17, has many specimens from some of the most celebrated figures at prices under \$2,500.

We met Mr. Rendell in his New York gallery in the Carlyle Hotel building on Madison Avenue and saw walls covered with frames, each containing an autograph paired with a portrait.

For our \$11,000 gift, Mr. Rendell proposed 11 people who he believes will be popular with collectors a generation from now. His prime nominee is Winston S. Churchill, Britain's World War II prime minister. Among 25 or so Churchill pieces ranging in price from \$2,000 to about \$10,000 were a letter to the press baron Lord Northcliffe during the period 1908-1910, priced at \$4,500; and an admission card to a 1956 event at the Royal Academy of Arts, which Churchill signed

as a member, at \$3,750. "Churchill epitomizes courage when the odds are long," says Mr. Rendell.

The others on his list also personify great accomplishments and complex traits. Three in particular are compelling: Thomas Jefferson, a signature, \$8,500; Abraham Lincoln, an 1851 court plea, \$9,500; and Napoleon I, an 1811 letter to his war minister, \$4,750. The others (with sample prices) are authors Charles Dickens, \$1,250, and Samuel L. Clemens, \$2,250; artist Claude Monet, \$6,500; opera composers Giacomo Puccini, \$9,500, and Giuseppe Verdi, \$4,750; scientist Albert Einstein, \$2,750; and the civil-rights leader Martin Luther King Jr., \$3,750.

Right now, Ernest H. Shackleton "is about as hot as you can get," Mr. Rendell says. Still, signatures of the Antarctic explorer are priced as low as \$2,000.

Mr. Rendell didn't include two names one might expect to find: Elvis Presley and Bill Clinton. In the dealer's judgment, the attraction of their personalities will pass with their generations. On the other hand, he says, "I just don't know about the Beatles." They now outsell any classical composer. Still, what's important is to "go with what thrills you," the dealer urges. "People collect autographs because that expands their involvement with an interest they already have."

Mr. Rendell stays almost entirely away from sports, movie and pop stars. For one thing, he says, "I don't know if any of their signatures are genuine. The idea that you can write to a star and get a real autograph back is ridiculous."

John F. Kennedy relied heavily on secretaries and signature machines, so an authentic JFK autograph is rare. Still, the Rendell gallery had some, including one on a typewritten 1956 letter. That was priced at \$3,750.

Boris Kulikov