

A portrait of Richard Sugar, a middle-aged man with short, graying hair, wearing a dark suit, white shirt, and patterned tie. He is smiling slightly and looking towards the camera. The background is a blurred cityscape with buildings.

Richard Sugar

Finding Purpose in Planning Keeps Clients Returning for Generations

by Paul Dailing

Richard A. Sugar of Sugar Felsenthal Grais & Hammer LLP has taken on many challenges, from leading the firm he founded into its third decade to helping a music program secure a new building.

But his passion was an early one.

“I think the absolutely hands-down favorite job I ever had was being a camp counselor for 4, 5 and 6 year olds when I was in high school,” he says. “Seeing kids that age learn how to play baseball, how to play basketball, how to swim, teaching them these skills, giving them the kind of self-confidence and security that they learned really has been the same kind of passion that I’ve carried with me my whole life.”

That dedication to education has become a hallmark of Sugar’s life, both personally and professionally.

“When I sit down with a client it’s the same thing. I try to give that sense of security and self-confidence to clients when they walk out of here after we’ve had the estate planning or succession planning discussion,” he says.

People often don’t like to think about the end of life, whether they put off going to the doctor for too long or they don’t make financial plans for the future. Sugar Felsenthal Grais & Hammer LLP approaches estate planning not as a matter of death, but as a means of expressing what the person’s life is about.

“Uniquely, we approach it not as a death and taxes kind of project, but we approach it as finding out what is the most important thing to the client we’re talking to,” Sugar says. “What is their purpose in life? What do they want to leave behind as their legacy? And identifying that and making sure that it is recorded in their estate plan documents.”

That approach is one his colleagues see on a daily basis, says Michelle Huhnke, a partner at the firm. She calls Sugar “the No. 1 most detail-oriented lawyer I have worked with in 18 years of practice.”

“He never takes a cookie cutter attitude toward crafting an estate plan or solving a problem. Rather, he seeks to be a true adviser. Every family is unique, and he knows that taking the time to get to know them will enable him to help them better. He is thoughtful and holistic in his approach, as well as technically excellent,” Huhnke says.

The list of clients has been extensive over the years, Sugar says. “We have been grateful that many clients we started with 30 years ago still remain clients, though we are now on to the second or third generation of the family,” he adds.

“We have dealt with multi \$100-million clients and we have also dealt with clients that have a house and a pension plan and basically that’s it,” he says.

One thing he tells all clients is that an estate plan that just passes as much money as possible to the next generation can have unintended repercussions.

“The biggest examples of those things you see are with celebrities, what happens to the children of celebrities, what happens to trust fund babies. They get money too quickly, too easily, and they don’t really learn the hard lessons of life,” Sugar says. “They don’t learn the values of life, which is something that, to me, makes a person whole. (They don’t learn) why education, which exposes them to all of these values and hard work and discipline, is so important to a successful life and a successful career.”

And Sugar should know about all of those.

Inherited Entrepreneurial Genes

Sugar was born in Chicago’s South Shore neighborhood, one of five children. His mother was a homemaker and his father was a non-practicing attorney who owned a steel warehousing and distribution business.

“My dad said to me, ‘It’s very important that you go to law school because it teaches you analytical skills you can’t get anywhere else, and whether you practice law or not it will be good for you for the rest of your life.’ So I took his advice,” Sugar says.

He went to Indiana University for his undergraduate education before returning to Chicago and the South Side for law school at the prestigious University of Chicago in Hyde Park.

After graduation, he went to work for Continental Bank’s trust department, which had a training program for young lawyers interested in estate planning. He worked there from 1972 to 1974 and then joined the predecessor firm of Shefsky & Froelich. That firm merged with Cincinnati-based Taft Stettinius & Hollister LLP earlier this year.

The entrepreneurial strain that led his father to start the steel business and his grandfather to own a fruit and vegetable business was evident in the young Sugar while he was at the firm.

“I was there for 9½ years, became a partner, and decided that with the genes I had from my dad and my grandparents I had to start my own business,” Sugar says.

The firm was always intended to be smaller, in part to avoid the facelessness that can come with larger organizations, in part so that the founding partners can work more closely with the younger attorneys and see to their development along the way. Sugar Felsenthal Grais & Hammer LLP currently has 19 lawyers.

“The firm is celebrating its 33rd year,” Sugar says. “Usually firms our size don’t last, so I’m very proud we have lasted this long.”

Part of that success is the chemistry between

Sugar and founding partner Steven Felsenthal, who Sugar jokes are “yin and yang.”

“We will have arguments where he will take one side and I’ll take the other side, and it has to do with management issues,” Sugar says, laughing. “After we’re done arguing about it, we find that we end up on opposite sides. In other words, he’s now arguing my side and I’m arguing his side because we’re so persuasive with each other.”

One feature the firm incorporated into its DNA from the beginning is taking a new look at how things are done.

“Richard always looked for creative solutions to problems,” says Andrew R. Schwartz, managing member of Schwartz & Kanyock, LLC, who has known him since 1999.

“When I worked with him on litigation matters, he generally liked to sit in his office and brainstorm about possible solutions. He and I would reel off one idea after another and then debate what would and would not work. Even where one of us thought up a really lousy idea, which happened from time to time, we used the debate to determine better solutions. I found his willingness to debate all ideas refreshing and conducive to effective problem-solving.”

But Sugar is not all business. “Richard is engaging and has a fine sense of humor,” Schwartz says. “I cannot think of too many interactions where one of us did not make the other laugh—usually with some terrible pun.”

Education Above All Else

Sugar has several tenets by which he lives his life. He values a sense of humor, as Schwartz can attest to. He values tenacity, which Huhnke sees at work every day.

But at the top of Sugar’s personal list of values is one thing: education.

“To me education is the most important thing that society can provide,” Sugar says.

As part of that belief, Sugar has been involved in Midwest Young Artists for decades. The Highwood-based, robust-curriculum, pre-college music school teaches young people from the region everything from orchestral music to jazz to choral. It has worked with such luminaries as Yo-Yo Ma.

“The program started out about 21 years ago. There were 50 kids and now there are over 1,000 kids, and they are drawn from all over Chicagoland. No child is left out because of financial resources because part of our fundraising is to provide scholarships,” Sugar says.

Sugar has been there since the beginning.

“I have been affiliated with it for 20 of its 21 years. I’m a former president, former board member, former officer, former endowment chair and current president emeritus. I was humbled to receive a lifetime achievement award,” he says.

Allan Dennis, the founder and executive director of Midwest Young Artists, says Sugar

has been invaluable to the organization since he first volunteered “to help with marketing” all those years ago.

“He helped in so many ways,” Dennis says. “It soon became clear that he was a leader and dedicated to our mission. He and two others would meet me for lunch, and we would strategize about how to build the programs. He was integral to finalizing our mission ‘to build a home with the power of music (he came up with that specific phrase) to enrich the lives of our students and their communities.’”

Sugar took on many new roles over the years, Dennis says.

“He was on the board of directors for some time and, when we were in the process of negotiating for our building, he assumed the presidency of MYA,” Sugar says. “He led us through the difficult process of acquisition of the building. To this day he remains a very close confidant and supporter of our cause.”

The decades of involvement started from home, when one of his two sons became interested in the cello.

“We gave him cello lessons when he was 5 years old, and then he played in school and he enjoyed it so much we wanted to give him another outlet. We found this organization, MYA, in its infancy, and I enjoyed it and appreciated it so much that I got very heavily involved in it,” Sugar says.

He’s active in many areas in his community, particularly as a volunteer adviser to the Lake Forest Business Accelerator, which provides space and resources to entrepreneurs starting up businesses in the Lake Forest area, and through his monthly column in the suburban Pioneer Press paper chain. His column is called “A Spoonful of Sugar: Tastings of Money, Taxes and the Law.”

“I find there are a lot of misconceptions about the law, and I thought with my experience it would be really neat if I could talk about the law in a layman’s way on a periodic basis,” Sugar says. “So I went to the Pioneer Press, and I begged and pleaded with them that I wanted to write nothing more than a monthly column and talk about money, taxes and the law.

“At first they said, ‘Well we don’t have a budget for this.’ And I said, ‘Wait, you don’t understand, I don’t want to be paid for this. I want to do this as a community service. It’s a way for me to give back.’ And I finally convinced them to let me try it out.”

Both the column and the business accelerator, which works closely with both Lake Forest College and Lake Forest High School, involve aspects of education, Sugar notes.

Successful Succession Planning

“I find that clients have sometimes two types of objectives,” Sugar says. “One is they feel like

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they are simply a shepherd of the money that they make during their lifetime and that they have to make sure that it gets preserved and passed on to the community. And the other kind of client says, ‘Oh, I’m trying to make as much money as I can so I’m comfortable, my kids are comfortable, my grandkids are comfortable and that’s really my purpose.’”

Either objective is a fine one, Sugar says, but without a little knowledge, without a little education on the topic, both can lead families down paths they don’t want. They can create feuds, enmity or a generation of trust fund babies who don’t embrace the values that made the family money in the first place.

That’s where Sugar’s analysis comes in.

“In his practice, Richard balances two qualities,” Huhnke says. “First, he is an incisive thinker with a highly developed ability to analyze a problem broadly and deeply. He is my favorite person to brainstorm with because he can see the whole view from the top, while also analyzing and applying the law to all of the details of a case or transaction.

“However, he balances this technical skill with a caring attitude and a desire to help our clients achieve their goals for themselves and their families.”

One of the ways Sugar has put this analysis into practice is through a process he calls the Second Opinion Loose Ends Eliminator.

“It’s a unique process that I developed over several years working in collaboration with someone in the financial industry that really probes this issue of ‘What are your values? What are your goals? What is your purpose? What is it that you really want to accomplish, and are you accomplishing it currently in your life and after you die? Is it being consistent?’

“It’s not just, ‘Here are my assets, help me beat Uncle Sam and give everything to my kids when they are 35 years old.’ That’s not how we look at things.

“In the end, we generate a report that identifies their important goals, purposes and objectives,” he says. “It then compares what they have today with those goals and objectives. It points out the deficiencies, and it suggests how they can be accomplished in the future.”

It’s a method that relies on all areas of Sugar’s experience, which Huhnke says is extensive.

“Besides being an expert on estate planning and tax law, he is a business lawyer who works frequently on corporate, employment and pension matters,” Huhnke says. “Even so, he loves learning something new. He’s always eager to learn from clients and colleagues. That attitude also shows up in the positive and constructive way he addresses changes in the law and in his practice.”

One of the changes to the practice Sugar is most proud of is the implementation of a new

guard, younger attorneys who can lead the practice ahead in years to come.

“So having preached this for so long, I’m happy to say we implemented our own succession plan a couple of years ago when we promoted Aaron Hammer and Adam Grais to named partners and leadership positions in the firm,” Sugar says. “Unlike lots and lots of other businesses where the senior generation wants to hold on for dear life, we are trying our best to give them authority and have them take leadership roles within the firm, management responsibilities for the firm.”

His own family is also moving onto the

next generation. When not working with clients or helping the firm’s new leaders or working with music schools or business accelerators or writing newspaper columns, Sugar does find the time to visit his growing family, currently at five grandchildren.

Neither of his two sons went into law.

“They said to me, ‘No, Dad, we don’t want to work the crazy hours you work,’” Sugar says, chuckling at the memory. “‘We think you’re a lunatic, and we want to do something that’s more balanced.’”

They both became engineers. ■



Sugar encounters children in this camp outside of Jerusalem during his summer travels in 1975.



Sugar took end-of-summer trips with his sons. Here, visiting Lake Louise, near Banff, in 1984.