

# Why the First State Remains the First Choice for Trusts

BY NICK LAMBROW

WITH OVER ONE MILLION BUSINESSES incorporated in Delaware, including more than half of the Fortune 500, it's no secret Delaware remains the First State for corporations and entities. M&T Bank and Wilmington Trust recognized this advantage over a century ago, and have held a steadfast commitment to the communities, individuals and businesses of all sizes that make up the fabric of Delaware. Founded by the du Pont family to manage its growing fortune, Wilmington Trust maintains its roots in Delaware as it prospers within the M&T family.

In fact, Delaware has many benefits, commonly referred to as the Delaware Advantage, that other states lack. Particularly the Chancery Court system, which handles litigation in corporate matters and trusts, estates, and other fiduciary issues. As many business leaders are likely aware, the Chancery Court does not employ a jury to decide on matters of litigation. Instead, judges are appointed to 12-year terms by the state's governor and must be confirmed by the Senate. The design of the Chancery Court system ensures that unbiased decisions can be made on the basis of law rather than public opinion — an inviting advantage to those encountering trust or corporate disputes and the very reason why companies of varying verticals incorporate within the First State.

Unsurprisingly, this has also attracted a number of financial service companies to our state. Delaware began developing its banking and trust infrastructure over 100 years ago and Wilmington Trust played a key part in that foundation. Today, the First State employs approximately 40,000 financial service professionals. When you look at these numbers, coupled with the large law firms and trusts based here, it's clear the Delaware Advantage is a

boon to our economy. Further, businesses incorporated here pay state taxes and the annual corporate franchise tax, allowing Delaware consumers to avoid sales tax on goods and providing a consistent revenue stream the state can rely on. In a 2011 empirical study, Northwestern University law professor Max Schanzenbach determined that Delaware's state income tax revenue attributable to its excess trust business was estimated between \$19 million and \$33 million per year, with the economic impact of out-of-state trust business totaling around \$600 million. One could reasonably assume these amounts have risen substantially in recent years.

Our Delaware roots allow our clients to reap the benefits of the Delaware Advantage, particularly if they choose to have their trust administered with us in the state. The benefit to our clientele enables us to further invest in Delaware, employing approximately 2,000 people statewide with plans to hire 200 technology professionals, enhancing our ability to serve clients of all sizes. We're not alone in recognizing Delaware as the ideal home and we're here to stay. ■



## M&T Bank

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