

Welcome to the Legenis eNewsletter **July 2010** edition

This month we look at the legacies of 2 very different people who indeed made large differences in the lives of the many people around them. One, a successful businessman and the other a leading US senator; both were characters in a world where character is changing, to reflect different meanings for different people. I like to say that character is formed not from the good times but from adversity.

We also look at how Warren Buffets philanthropy is changing and developing.

If you have any questions regarding the information in this month's newsletter please don't hesitate to call or email us.

I hope you enjoy this month's articles.

Warmest regards,
Dr Robb Musgrave
CEO, Legenis

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Legenis: Leaving a lasting legacy for families, foundations, corporations and non-profit communities by empowering them to do the right things, by doing things right.

Article 1



Say it Doesn't Happen; Estate Planning and Legacies

Six Australians, two British, two French and one US national were on the twin turboprop Casa C212 plane, which had been chartered by Sundance Resources. The crash claimed the lives of the entire board of Sundance, including mining magnate Ken Talbot, whose fortune was estimated at \$965 million by *BRW* business magazine.

Six of the dead were from the Sundance board - Mr Talbot, Chairman Geoff Wedlock, Managing Director and CEO Don Lewis, Company Secretary John Carr-Gregg and Directors John Jones and Craig Oliver. The other five victims were Mr Talbot's personal secretary and French national Natasha Flason, US citizen Jeff Duff, a French pilot, a British pilot and a British citizen.

The plane went missing over thick jungle on a flight from Yaounde, Cameroon's capital, to Yangadou in Congo-Brazzaville. The potentially billion-tonne Mbalam iron ore project in Cameroon's East Region that attracted multi-millionaire Ken Talbot and his Sundance Resources board to the country is a vital piece in the jigsaw needed to deliver on this rapidly developing country's ambitions.

While Cameroon was the launching pad for the tragedy, neighbouring Congo is central to the story and the disaster. Mr Talbot's jet was too big to land at the remote airstrip the board was visiting and an airline originally selected to charter, Jetfly, was unable to get the required clearances to travel into Congolese airspace. It can take days to get permission to cross into a neighbour's airspace, partly because of bureaucracy, but also because the two countries jealously guard their sovereignty.

In a statement this week, Sundance, worth about \$360 million, said that "contrary to earlier comment, Sundance would appear not to have had a board policy on air travel". The insurance ramifications of this are unclear. The interim board yesterday admitted the company broke with traditional corporate practice by having its entire board on the same flight. But there was little choice, Mr Jones said, given the unavailability of aircraft and the fact Mr Talbot's \$30 million jet was too big to land on the company mine site's dirt runway. *Imagine the difficulty of replacing the whole Board: skills, experience, history and wisdom in one go and still trying to develop this project as a testimonial. They say the British Royal family never travels together for exactly this reason. The ex Chairman rushed in*

to plug the gap, will that work?

Mr Talbot, the founder and former chief executive of the giant Macarthur Coal, was on the flight in his role as a non-executive director of Perth-based mining company Sundance Resources. Mr Talbot's wife Amanda and her two young daughters waited for news inside the family's Paris apartment. An exhausted Mrs Talbot was too upset to talk: "I can't do it. We don't want to talk about the situation."

Mr Jones, who appointed the majority of the missing executives to their roles in his previous role as Chairman, said the interim board would seek an urgent meeting with shareholders. "I've been asked to come back on board to help out and I've got a responsibility to do that," he said. Brian Gilbertson, a former BHP CEO, will step in to help Jupiter Mines after its chairman was killed in the Sundance plane crash. Geoff Wedlock was also the chairman of Sundance Resources.

Talbot Group Chairman Don Nissen, said Mr Talbot was the heart and soul of the Talbot Group and was the driving force behind its success. "On behalf of the Talbot Group, I wish to extend to Ken's wife Amanda and children Alexandra, Claudia, Courtney and Liam our deepest sympathies," Mr Nissen said. "I am proud to say I have known Ken, my friend and work colleague for more than a decade. He will be greatly missed by those whose lives he touched. *A key man and a family man.*

"Ken was very much a larger than life character; enthusiastic, buoyant, sincere and humane. He was a great Queenslander and Australian, but most importantly a devoted family man."

Mr Nissen said Mr Talbot was a self-made entrepreneur. "The proud son of a truck driver with a state school education, he often described himself as a simple coal miner," Mr Nissen said. "He possessed that special quality of making people feel important and welcome, no matter from which walk of life they came."

Mr Nissen said Mr Talbot could easily have just "sat on a beach on the Gold Coast drinking rum and coke but wanted to kick rocks and get his jeans dirty". Mr Talbot worked about 60 hours or more a week and was a terrible golfer, according to Mr Nissen. He would rise at 6am and hit the gym and be in the office at 7am and "if anyone was stupid enough to want to have a rum with him at 11pm, he would still be there".

Brisbane charities have paid tribute to Mr Talbot's philanthropy. Transformers acting co-ordinator Brian Procopis said Mr Talbot would regularly "drop in" on Wednesdays. The billionaire would often sneak into a local choir practice for the disadvantaged and quietly watch – before joining in with the singing and dancing. Comprised of people dealing with mental health issues, disability and

homelessness, The Transformers are Brisbane's answer to the Melbourne-based Choir of Hard Knocks. The Talbot Family Foundation is a major sponsor of the group. "He was just a quiet, warm fellow and he would just sit with different members of the choir."

Mr Nissen said the company was determined to deliver on the projects the entrepreneur was working on. "It certainly won't be business as usual because Ken won't be there," Mr Nissen said. "It may be that we can continue to be successful and follow some of his plans. "As I'm sure you'll appreciate, there's no line in the sand and there's a lot of things on the go right now that we, frankly, have a responsibility to deliver. That will be a good start for us."

Mr Don Talbot was the subject of charges involving the corrupt payment of money to a Queensland State Government Minister, Mr Gordon Nuttall, who is currently serving prison time after his conviction on other related charges. Additional charges were awaiting trial dates for both parties.

If you have any questions regarding this article, please contact us at info@legenis.com

Article 2



Robert Byrd's Legacy

Senator Robert Byrd of West Virginia, who died recently at 92 after serving a record 57 years in the United States Congress, was a study in contradictions:

- Frugal with his own money- he ate brown bag sandwiches for lunch, he shunned credit cards and cleaned his own home – Byrd was profligate with the public purse earning the title, "the Prince of Pork", which he wore as a badge of honour in his impoverished home state.
- A member of the Ku Klux Klan in the 1940's, he filibustered the 1964 Civil Rights Act, he later championed civil rights causes and even endorsed

Barak Obama for president.

- Lacking any tertiary degree until late in life, the self-educated lawmaker was perhaps the most erudite member, authoring a four volume Senate history and regularly sprinkling his speeches with classical and biblical references.
- Deprived of parental affection during his hardscrabble upbringing, Byrd was often seen as the most sentimental of senators

With the passing of Edward Kennedy and now Byrd, the senate has lost the last two lions of an earlier era. It was fellow Democrat Kennedy who, in 2005 best summed up Robert Byrd's legacy: "his passion is for preserving the institution and its prerogatives."

When asked, "How many Presidents have you served under?" Byrd would reply. "None, I have served with Presidents not under them." In 2002, in the face of post 9/11 passions, he opposed the George W. Bush resolution to wage war against Iraq, stating it was an outrageous abdication of congressional responsibility and a reckless move against a nation that had not attacked the United States.

On the day the Iraq invasion was launched, he said "Today, I weep for my country". This month the Senate and the country weep for the Senator from West Virginia.

If you have any questions regarding this article, please contact us at info@legenis.com

Your Dominant Values

Do you know, or have you found, your Dominant Values? Legenis offers a simple on-line profiling tool which in about 10 minutes identifies what is really important to you. Our Valgenics® process provides a concise personalised report that gives you personal insight. It also shows you where you are focused and importantly allows you to work on clarity. Imagine a world where you know what is important to you and why and where you should be targeting your best efforts. All this comes from one simple test, test your Valgenics®, your dominant 8 personal values and start to see what a difference it could make to you.

Simply follow this link: [Valgenics® Profiling Tool](#) or go to www.legenis.com and look to the Valgenics® link. For a small fee of A\$25.00 you can begin your own personal Legacy journey and begin to put clarity into your life.

Your Living Legacy

I have found that, “Everyone who is loved by someone leaves a legacy in some form, even if it is what not to do”, but few of us experience the power of creating a Living Legacy. A living legacy is so simple, “telling what is important to who is important while you are still alive to do it”. Simple, yet it takes extraordinary people to do this simple task. Perhaps this is because we remain continually confused or we have goal diffusion or are just ditherers.

I don't know; but here, make a start. Take 2 minutes and write down “Who” is important to you. This is not that difficult; remember to add the organisations and associations you value as well. Unless you are overly friendly, this is not a long list.

Now think; “What is important to you”, this can be much more difficult, but not impossible. Remember our online [Valgenics® Profiling Tool](#) can assist you with what is important. It has been developed by adapting existing worldwide research on Personal Values. You can also follow the link from the main Legenis page www.legenis.com.

The Power of the Living Legacy comes from the discipline of telling “what is important” to “who is important”. This creates a lifetime of meaningful conversation. If you would like additional help, read my book: “When Success isn't Enough – How to build a Living Legacy” – **BUY IT** online for only A\$29.95.

If you would like to contact me personally about any of these matters or for more information; my email address is robb@legenis.com

Article 3

Robb's Comment:

Warren Buffett is someone you have to admire. He lives according to his values and his skill is definitely making money. In Financial Services, he is legendary, often because of his quotes and comments. My favourite quotes right now are:

- *“Never ask a Barber, when is it time to get a haircut?”*
- *“I want to leave my children so much, they can do or be anything they wish, but not so much they do nothing”*



Buffett Donates \$US1.6 Billion in Biggest Gift Since 2008 Crisis

By Andrew Frye (Bloomberg)

Warren Buffett, the billionaire who has promised to give away 99 percent of his fortune to charity, made his largest donation since the 2008 financial crisis after profits at his Berkshire Hathaway Inc. jumped.

The value of Buffett's annual gift to the foundation established by Bill Gates rose 28 percent to \$1.6 billion from \$1.25 billion last year. The donation, made in Berkshire Class B stock, was accompanied by gifts totaling \$328 million in shares to three charities run by Buffett's children and another named for his late first wife, according to a July 2 filing.

Buffett, 79, is depleting the world's third-largest personal fortune in installments. The step-by-step approach means Buffett will control Omaha, Nebraska-based Berkshire as long as he lives. His chosen charities are counting on Berkshire profits to fund programs aimed at easing world hunger, boosting education in the U.S. and promoting access to abortions.

Berkshire rose 35 percent on the New York Stock Exchange in the 12 months ended July 1, the day Buffett made the gifts. A stock-market rally helped increase Berkshire profits 61 percent last year. The \$27 billion takeover of railroad Burlington Northern Santa Fe Corp., Buffett's biggest, may boost Berkshire results further as the U.S. economy improves.

Less Giving

The financial crisis lowered charitable giving in the U.S. by 3.6 percent to \$303.75 billion in 2009, according to a study by Indiana University and Giving USA Foundation. Buffett's gift to the Bill & Melinda Gates Foundation last year fell about 31 percent from \$1.8 billion in 2008 as Berkshire shares slumped.

"Financial markets, for better or for worse, drive how people feel" about giving, said Nancy Raybin, chairman of Giving Institute, a consultant to non-profit groups.

Buffett, whose wealth was estimated at \$47 billion by Forbes magazine in March, announced his philanthropic plans in 2006. He pledged about 85 percent of his Berkshire holdings to the Gates Foundation, the Susan Thompson Buffett Foundation, the Howard G. Buffett Foundation, the Sherwood Foundation and the NoVo Foundation. In a Fortune magazine op-ed last month, Buffett said more than 99 percent of his wealth would go to charity.

'Giving Pledge'

Buffett and Bill Gates, co-founder of Microsoft Corp. and world's second-richest man behind Mexico's Carlos Slim, are pressing fellow billionaires to give more. On June 16, the two men and Gates's wife Melinda Gates announced a campaign called "The Giving Pledge" to induce the wealthiest individuals and couples to commit half their fortunes to charity.

Buffett, who has given away more than \$9 billion in Berkshire stock in the last five years, said in 2006 that his company is an "ideal asset" for charities because of its stability and earnings power. Since announcing his charity pledge four years ago, Berkshire has advanced 27 percent, beating the 18 percent slide in the Standard & Poor's 500 Index.

Buffett has arranged that the shares promised to each charity will be delivered after his death. During his lifetime, the number of shares he hands over is scheduled to decline by 5 percent each year. Increases in Berkshire's stock price should more than make up for the reductions, Buffett has said.

“You can reasonably expect the value of Berkshire shares to increase, in an irregular manner, by an amount that more than compensates for the decline in the number of shares that will be distributed,” Buffett said in letters to the charities in 2006.

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