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A Cold Calculus Leads Cryonauts To Put Assets on Ice

With Bodies Frozen, They Hope to Return Richer; Dr. Thorp Is Buying Long

By ANTONIO REGALADO
Staff Reporter of THE WALL STREET JOURNAL
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You can't take it with you. So Arizona resort operator David Pizer has a plan to come back and get it.

Like some 1,000 other members of the "cryonics" movement, Mr. Pizer has made arrangements to have his body frozen in liquid nitrogen as soon as possible after he dies. In this way, Mr. Pizer, a heavy-set, philosophical man who is 64 years old, hopes to be revived sometime in the future when medicine has advanced far beyond where it stands today.

And because Mr. Pizer doesn't wish to return a pauper, he's taken an additional step: He's left his money to himself.

With the help of an estate planner, Mr. Pizer has created legal arrangements for a financial trust that will manage his roughly $10 million in land and stock holdings until he is re-animated. Mr. Pizer says that with his money earning interest while he is frozen, he could wake up in 100 years the "richest man in the world."

Though cryonic suspension of human remains is still dismissed by most medical experts as an outlandish idea, Mr. Pizer is not alone in hoping to hold onto his wealth into the frosty hereafter.

"I figure I have a better than even chance of coming back," says Don Laughlin, the 75-year-old founder of an eponymous casino and resort in Laughlin, Nev. Mr. Laughlin, who turned a down-and-out motel he

David Pizer

bought in 1966 into a gambling fortune, plans to leave himself $5 million.

At least a dozen wealthy American and foreign businessmen are testing unfamiliar legal territory by creating so-called personal revival trusts designed to allow them to reclaim their riches hundreds, or even thousands, of years into the future.

Such financial arrangements, which tie up money that might otherwise go to heirs or charities, are "more widespread than I originally thought," says A. Christopher Sega, an adjunct professor of law at Georgetown University and a trusts and estates attorney at Venable LLP, in Washington. Mr. Sega says he's created three revival trusts in the last year.

In December, a trusts expert from Wachovia Trust Co., part of Wachovia Corp., participated in the First Annual Colloquium on the Law of Transhuman Persons held in Florida. His PowerPoint presentation was titled "Issues Facing Trustees of Personal Revival Trusts." A Wachovia spokesman confirmed the bank is named as trustee in one cryonics case but declined to comment further for this article.

To serve clients who plan on being frozen, attorneys are tweaking so-called dynasty trusts that can legally endure hundreds of years, or even indefinitely. Such trusts, once widely prohibited, are now allowed by more than 20 states -- including Arizona, Illinois and New Jersey -- and typically are used to shield assets from estate taxes. They pay out funds to a person's children, grandchildren and future generations.

The chilling new twist: In addition to heirs or charities, estate lawyers are also naming their cryonics clients as beneficiaries. If they come back to life after being frozen, the funds revert back to them. Assuming, that is, that there are no legal challenges to the plans.

Thomas Katz, an estate planner at the law firm Ruden McClosky in Fort Lauderdale, Fla., believes cryonics could raise fundamental legal quandaries. Upon coming back to life, for instance, would a person have to repay their life insurance? "Our legal notion of death is pretty fixed. The scientific notion might not be as time goes by," Mr. Katz says.

Christopher Gloe, a senior attorney with the Marshall & Ilsley Trust Co. in Milwaukee, says his organization rejected an offer to invest money in a cryonics case after the question went before the bank's management committee several years ago. "We turned it down because we are a conservative Midwestern trust company, and not likely to get involved in an unproven entity such as a cryonics trust," said Mr. Gloe.

Some 142 human bodies or heads, including that of baseball legend Ted Williams, are now held in cold-storage at one of two U.S. cryonics facilities, Alcor Life Extension Foundation in Scottsdale Ariz., and the Cryonics Institute of Clinton Township, Mich.

People interested in cryonics are mostly male, frequently single, and typically have a strong interest in technology and predicting future events. And yet it's hard to know just how wide-spread the phenomenon of personal revival trusts is, since some wealthy individuals may fear ridicule if their hopes for immortality became known. Like in the tale of Dr. Frankenstein's monster, "the image of local farmers climbing the mountain with pitchforks and torches is still in people's minds," says Kenneth Weiss, 63, co-founder of RSA Security, which markets SecurID computer-user-authentication cards.

Mr. Weiss, who retired in 1996 with RSA stock valued in the tens of millions of dollars, says he plans to be cryopreserved and is now working with a Swiss bank to stash money off shore. Mr. Weiss says he knows several "billionaires" with similar plans but declines to name them. "People who are really taking this thing seriously have no need for notoriety," he says.

The cryonics-trust phenomenon dates back at least to 1989, with the formation by two American entrepreneurs of the Reanimation Foundation, a trust based in Liechtenstein, the tiny European principality known for its liberal tax rules. It offers memberships to people willing to put in as little as $25,000, say clients. According to a promotional flier, which asks "How Rich Will You Be?," a $10,000 investment could grow to $8,677,163 in 100 years. "You'll be able to buy youth and perfect health for centuries," says the pitch.

One successful businessman planning for the future is Robert Miller, the owner of Future Electronics Inc., a wholesale electronics distributor based in Montreal. Mr. Miller, whose net worth is $4 billion, according to the company, declined to be interviewed.

However, Pierre Guilbault, Future's chief financial officer and executive vice president, confirmed that Mr. Miller "does not want to pass away" and has plans to put a "substantial" sum away for himself in a trust for when he is cryopreserved. Mr. Miller gives generously to charity and other causes, but Mr. Guilbault says "the question is who earned the money. You earned it, and it's yours."

No one knows just what future technology may bring, or what form a new existence could take. Mr. Laughlin confronted that issue in a meeting last August with his lawyers while drafting a trust. Mr. Laughlin opted against allowing a mere biological clone to get his money. He insisted whoever gets the funds should have "my memories."

"We can't anticipate the science of the future, so we need some definition that will be flexible and stand the test of time," says Scott Swain, Mr. Laughlin's tax attorney.

Since people like Mr. Laughlin may rest in icy slumber for hundreds of years, protecting their assets from the living is apt to be a key challenge. After all, even the most standard of trusts have long been susceptible to dishonest managers -- not to mention challenges from disgruntled heirs.

When Jakob P. Canaday, a Florida investor, died in 2004 of throat cancer, he left behind plans to stash his millions in a long-lasting trust with directions that he would recoup the money if and when his "human remains are revived and restored to life," according to court documents.

On the eve of Mr. Canaday's death, however, his two daughters produced a new will, which left his fortune to them.

Now there's a lawsuit pending in Broward County, Fla., Circuit Court. Mr. Canaday's brother, Siesel "Bud" Canaday, a retired Wall Street bond trader, says his sibling always wanted to be frozen and insists that the second will is not valid. No matter how bizarre his brother's choices may be, Mr. Canaday says, "it's tradition to honor the will of the deceased." Daughter Michelle Canaday declined to comment on the case.

Despite the uncertainties, cryonauts are choosing their investments carefully. Edward O. Thorp, a hedge-fund industry pioneer, created a cryonics trust in 1997 funded by a $200,000 life-insurance policy. At 73, he says he's now arranging a larger trust -- of between $1 million and $50 million -- which he will direct to invest in no-load index-tracking mutual funds to avoid management and trading fees. He puts the odds of a person frozen today coming back at 2%. "I figure it's worth a lottery ticket," says Dr. Thorp, who has a Ph.D. in mathematics. The Orange County Business Journal estimated his net worth to be more than $100 million to $300 million.

In Arizona, Mr. Pizer says he hopes his wife will join him in cryonic storage. And even if his trust money is somehow lost or stolen during his time on ice, he'll be content just as long as he returns to life. If he does, he says he'd use the opportunity to work hard and create new businesses. "I made it the first time from nothing, and I could do it again."

--Rachel Emma Silverman contributed to this article.

Write to Antonio Regalado at antonio.regalado@wsj.com[1]

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