

DIAMOND

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A generosity of spirit, shining for generations



HEDDA AND ALFRED LEIGHTON:

The Gift of Life

Hedda and Al Leighton's is a tale of life and human spirit transcending darkness. At nearly the last chance moment, in 1939, Hedda Simon and Al Leighton, teenagers then, escaped from Germany, which was collapsing into genocide. Al, from Königsberg, made it to England via a Kindertransport, a mercy for a limited number of boys and girls persecuted because they were Jewish.

Hedda slipped away from Berlin to Australia with her parents and brother. Their landing Down Under wasn't altogether soft, but Hedda's father, Hans Simon, a war hero for Germany in WWI and a textile magnate before he fled, smuggled out a small portion of his resources and created a business in his new home. Seated on the couch in the living room of her Lyndhurst condominium, Hedda Leighton says simply, "We were so happy; we were safe." Others were not; her grandmother died in a camp. Al Leighton was safe in England, from where, several years after the war, he migrated to Sydney.

Hedda married Fred Martin, a refugee from Vienna, and gave birth to Richard Martin, who would become Richard Martin, MD, a distinguished neonatologist and the chief of the renowned Division of Neonatology at UH Rainbow Babies & Children's Hospital. Fred Martin died young and five years later Alfred and Hedda met at a party in Sydney. Her face lit by a knowing smile, Mrs. Leighton says: "People said I would remarry soon. It didn't happen that way. I waited until the right person came along. We clicked."

As Hedda's life changed, so too would her son Richard's life. Dr. Martin went to medical school in Sydney where he met his wife, Patricia Martin, MD, a psychiatrist and psychoanalyst. They originally came to the States intending to do brief post-doctoral work before returning to Australia. Their lives didn't turn out that way; Dr. Martin attained a vital role and found a home at University Hospitals.

(see page 2)



DIAMOND
LEGACY SOCIETY

“We used to visit Richard, Patricia and their children every year,” continues Mrs. Leighton, “but the long trip from Sydney got more difficult for us so we moved to Cleveland 13 years ago.”

The Leightons loved Sydney and had a home overlooking the famous harbor. Hedda was in Australia for 58 years; Al was resident in the island continent for a little less than half a century. He was a distributor of French perfumes. When that information is offered, Mrs. Leighton laughs lightly and says, “So I always smelled good.”

They go to many concerts and enjoy dinners out with friends. To remain mentally sharp they do crossword puzzles every morning and play Scrabble in the afternoons.

The Leightons are clearly aware their lives are a gift, and that it all could have turned out differently. That awareness and their love of and pride in their son, Richard, moved the Leightons to make a gift to UH in support of his work at Rainbow (see sidebar below).

Mrs. Leighton sums up: “We admire the wonderful work that Richard and his colleagues perform every day to help so many premature babies survive and lead useful lives.” Their gift is in honor of their son the physician, but it also honors their own challenging, graceful and meaningful lives.

The Leightons chose to establish a charitable gift annuity with University Hospitals and are now recognized in the Diamond Legacy Society. This popular gift plan was an ideal way for the Leightons to support Rainbow and also receive income for life and substantial tax benefits.

“I hope others will get the message that this is a great way to give. It truly is a gift that gives back,” comments Mrs. Leighton.

Dr. Martin offers his own summation: “My parents are remarkable people. Their gift enables my colleagues and me to give the most important gift – the gift of life to the most fragile newborns.”

For more information about charitable gift annuities, visit UHgiving.org or call 216-983-2200.

The Leightons have taken root in America. They were happy in Sydney and miss the marvelous weather, but they like their destination. They say Americans are even friendlier than the famously congenial Aussies. They “adore

classical music” and celebrate the music and the superior medical care available in this community. Until this year they beat winter by retreating to Florida.

Mrs. Leighton smiles again and says, “When I came here I said, ‘This is my last continent.’” Al says, “I’ve been a citizen of four countries: Germany, the United Kingdom, Australia and the United States.”

“My parents are remarkable people. Their gift enables my colleagues and me to give the most important gift – the gift of life to the most fragile newborns.”

– Richard Martin, MD

Legacy OF GRATITUDE

Charitable Bequests Continue to Make a Difference at University Hospitals

Since University Hospitals opened its doors in 1866, charitable bequests have played an important role in helping to carry out our mission: To Heal. To Teach. To Discover. Today, bequests continue to be an integral part of the UH philanthropic tradition because such gifts enable individuals to make significant contributions that may not have been possible during their lifetimes.

Charitable Bequests Are Flexible and Meaningful

A bequest through a will or a trust is the most popular type of charitable planned gift and can be an important part of estate planning. Many of our benefactors remember University Hospitals in their wills and trusts because of the simplicity. If circumstances change, a will or a trust can be modified or an entirely new document can be prepared to reflect charitable intentions to UH. Bequests are often made in gratitude of the compassionate care received, in

memory of a loved one, in honor of a physician or to endow a program at University Hospitals.

Sample Bequest Language

I bequeath to University Hospitals of Cleveland, Ohio, (insert percentage of estate, dollar amount or description of property) to be used for the area of greatest need (or a specific program or area).

A bequest to University Hospitals can take various forms: You can designate a specified dollar amount; designate a percentage of your estate or residuary estate; designate specific property; or name UH as a contingent beneficiary.

Charitable Bequests Can Perpetuate Your Annual Gifts to University Hospitals

University Hospitals is fortunate to have many generous friends who support our work with annual gifts.

When you designate a bequest to an endowed fund, you ensure that your wishes will be honored and that your annual gifts will continue in perpetuity.

Celebrate Your Future Gift Now

We are extremely grateful for the continuing generosity bestowed by generations of patients and families. University Hospitals Diamond Legacy Society celebrates and recognizes these individuals who have made such bequests to programs and areas important to them and their loved ones.

If you have remembered University Hospitals through a charitable bequest or other gift plan, we encourage you to inform us so that we are able to thank you during your lifetime, ensure that your wishes are fully understood and celebrate your generosity now through membership in our Diamond Legacy Society. Please call 216-983-2200 or visit UHgiving.org.

The Diamond Legacy Society at University Hospitals – a generosity of spirit, shining for generations.

Richard Martin, MD, and his wife, Patricia Martin, MD



Dr. Richard Martin's Dedication to the Most Fragile Newborns

University Hospitals Rainbow Babies & Children's Hospital's Division of Neonatology in the Department of Pediatrics is renowned and was ranked in 2009 by U.S. News & World Report as #2 in the nation for neonatal care. As chief of the Division since 1998, Richard Martin, MD, is an international leader in neonatology. The Australian native holds the Drusinsky-Fanaroff Chair in Neonatology; is

the senior editor, with Avroy Fanaroff, MD, and Michele Walsh, MD, of the major neonatal text, Neonatal-Perinatal Medicine; is the first co-author of 140 peer reviewed articles and of almost 70 medical book chapters. His work has been continuously funded by the National Institutes of Health for more than 25 years.

Dr. Martin gratefully acknowledges having been mentored by Drs. Avroy Fanaroff and Marshall Klaus, and Dr. Martin has, in turn, played a central role in training many leading physicians in neonatology around the world.

Dr. Martin's own focus is neonatal respiratory problems, developmental pulmonology and airway function.

The graduate of the University of Sydney School of Medicine says: “At University Hospitals and Case Western Reserve University, I have had the wonderful opportunity of balancing clinical practice and cutting-edge research. I get great satisfaction from seeing babies thrive and then continuing to advance neonatal care in the laboratory. What we're particularly excited by now is using animal models to better

understand developmental problems of maturing lungs.”

Dr. Martin and his wife, Patricia, have two children who are both psychiatrists: a son, Scott Martin, MD; and a daughter, Sonya Martin, MD. The Martins recently became proud grandparents to their first grandchild, Mateo.

To support this important work in neonatology, call 216-983-2200.

Converting Your Traditional IRA to a Roth? *Charitable Planning Can Help*

Successful retirement planning involves a carefully considered initial strategy as well as the ability to recognize and take advantage of new opportunities when they arise.

Starting in 2010, any taxpayer who owns a traditional IRA may convert it to a Roth IRA, regardless of income. (The previous income limit was less than \$100,000.) The conversion will be treated as a taxable distribution, so you should weigh the benefits of future tax-free distributions against your current tax liability. Taxpayers who convert in 2010 will have the option of recognizing the income from a Roth IRA conversion either on their 2010 tax returns or spread equally over 2011 and 2012.

Whether you should take advantage of this opportunity depends in part on your current financial resources, your projected retirement needs and your objectives for your beneficiaries.

Those with significant philanthropic goals may find that incorporating their charitable plans in their retirement considerations may be beneficial to them, their family and charity. The IRA conversion opportunity offers several charitable planning strategies that may help with your plans.



Offset Additional Taxes on Roth Conversion with a Gift to University Hospitals

The conversion of your traditional IRA to a Roth IRA could possibly push you into the highest tax bracket of your lifetime. If you determine that a Roth IRA conversion is the right move for you, strategic charitable giving can offset some of the additional taxes you will incur. This is because charitable gifts are most beneficial from a tax-saving standpoint when you are in a high income-tax bracket.

Maximize Your Gifts in the Year of the Conversion

By accelerating your giving and making as many gifts as possible in the year you make the conversion, you will maximize your tax savings.

For example, if you wish to convert a traditional IRA valued at \$50,000 and normally make charitable contributions of \$10,000 per year to support University Hospitals, you could accelerate five years' worth of future gifts to equal the amount you are converting to a Roth IRA to offset the tax liability resulting from the conversion.

Special Roth IRA Benefits to Note:

- No required withdrawals after age 70½. Unlike traditional IRAs, Roth IRAs are not required to distribute a minimum amount each year after the account owner turns 70½. This is a tremendous benefit for those who don't need additional income for retirement.
- Contributions are allowed after age 70½. If you meet the income requirements, you can continue to make contributions to a Roth IRA after you turn 70½.
- Roth IRA distributions are income tax-free to you and to your beneficiaries.

A Charitable Way to Maximize Retirement Income

Are you fully participating in all retirement plans open to you but want to save even more for retirement? You can do so by addressing your retirement- and charitable-planning goals together.

How might this work for you? A method of giving that pays you income.

You decide to contribute \$20,000 for each of the next 15 years to a **charitable remainder trust** that will pay 5% of its annual value each year for life. Because you don't need any additional income right now, you include special language in the trust agreement to limit your payout to only the interest and dividends earned by the trust each year for the next 15 years. After 15 years, the trust will start paying you the full 5% annually.

You can deduct a significant portion of your annual contributions to your trust – about \$104,000 over the next 15 years. How much would you save? Approximately \$36,000 in the 35% federal tax bracket.

If the trust averages a total return of 6% per year, it will pay you more than \$23,000 annually – and will increase each year if it earns more than a 5% payout.

BOTTOM LINE: In this scenario, over your life expectancy you will receive approximately \$484,000 and more than \$562,000 will pass to University Hospitals to create your personal legacy.

Learn more about charitable remainder trusts at UHGiving.org/charitabletrusts.

Generate Income and Reduce Capital-Gain Tax

One way to substantially reduce capital-gain tax – and spread it over your life expectancy – is to transfer appreciated securities to University Hospitals in exchange for a **charitable gift annuity**. We agree to pay you a specific sum for life based on the value of the securities and your age (and the age of any joint or successor annuitant), and you can take a generous charitable tax deduction in the year of the transfer.

If you don't need the income right now, you can create a **flexible charitable gift annuity** that can start within a predetermined range of dates. **POINTER:** Your income payments increase the longer you defer the income.

How this might apply to you:

Assume you are 69 and would like to reduce the risk of another market downturn by converting low-yielding stock to a guaranteed source of income.

Further assume that you are reluctant to sell your stock and reinvest in higher-yielding securities because of the capital-gain tax you would incur. Instead of selling \$100,000 worth of stock that you bought for \$25,000 several years ago, you transfer the stock to University Hospitals in exchange for a flexible gift annuity that will provide income to you each year beginning in any year you choose, as soon as next year.

You would receive a charitable deduction of more than \$39,000, which could offset some of the tax attributable to a Roth conversion. If you started taking payments next year, you would get \$5,900. You would recognize only a portion of the capital gain, and it would be spread over the rest of your life expectancy. Better yet, about \$950 of your annual income would be tax-free.

If you opted to delay receiving any income, the amount you will receive goes up each year. For instance, if you waited for five years, your annual gift annuity income would increase to \$7,400.

For More Information

To learn more about how a gift to University Hospitals will further our mission (and provide income to you for life) or to receive a free copy of our new booklet, **Planning for a Secure Retirement: Charitable Options**, simply return the attached reply card, e-mail Claudia.Lozano@UHHospitals.org or call our office at **216-983-2200** to speak with a gift planning professional.

Actual tax effects vary by individual. Consult your attorney or financial advisor about the applicability to your own situation of the tax options described in this newsletter.



SPRING MEETING

Vision 2010 Grand Slam was the theme of the annual spring meeting of University Hospitals Diamond Advisory Group held on March 4 at Progressive Field and attended by more than 100 members and UH leaders for a special presentation featuring the Department of Orthopaedics. Paul Dolan, President of the Cleveland Indians and Honorary Chair of the Diamond Advisory Group, welcomed the crowd.

Fred Rothstein, MD, President, University Hospitals Case Medical Center, presented highlights of Vision 2010 and recognized Diamond Advisory Group members for their important role as UH ambassadors.

Lawrence Hatch, Esq., Chief Fiduciary Officer of The Private Trust Company, was introduced as the incoming Chair of the Diamond Advisory Group. Mr. Hatch was pleased and honored to accept the

role and thanked past chairs, Marcia Wexberg, Esq., and Herbert Braverman, Esq., for their contributions. "Three generations of my family have been served by University Hospitals with the best of medical care," said Mr. Hatch.

Matthew Kraay, MS, MD, Director of the Division of Joint Reconstruction and Arthritis Surgery at UH Case Medical Center and the Kingsbury G. Heiple, MD and Fred A. Lennon Professor, shared the vision for the department and new developments on the horizon for orthopaedics, particularly for joint repair and replacements.

The meeting concluded with inspiring remarks by Thomas Adler, UH grateful patient, benefactor and member of the UH Development Committee and Co-Chair of the Orthopaedic Leadership Council.

The Diamond Advisory Group, established in 2005, is a volunteer group of more than 170 legal, financial, real estate and insurance professionals helping clients and UH benefactors achieve financial and philanthropic goals.

For more information on the Diamond Advisory Group, call Patricia Fries, Esq., at 216-844-0430.

A Mary Vitale, CPA, CFP, Howard Wershale & Company; Thomas Allen, Esq., KeyCorp; Don Laubacher, CPA, KeyCorp

B Linda Olejko, Glenmede Trust Co.; Richard Landel, Fifth Third Bank; Bernard Karr, Esq., McDonald Hopkins LLC

C David Brown, Key Private Bank; Lisa Michel, Key Private Bank; Richard Spotz Jr., Esq., Ziegler, Metzger & Miller LLP

D Guest speaker Matthew Kraay, MS, MD; Robert Reitman; UH Benefactor and Board Development Committee member; Thomas Adler, UH Benefactor; Donald Goodfellow, MD, Director of Sport Medicine, UH Case Medical Center

E Paul Dolan, President, Cleveland Indians; Sherri Bishop, Esq., UH Chief Development Officer; Fred Rothstein, MD, President, UH Case Medical Center

F Heather Ettinger and Emily Shacklett of Fairport Asset Management LLC; Douglas Fries, BNY Mellon

G Terry Fergus, FSM Capital Management and UH Benefactor; Phylis Ferrara, VP, UH Institutional Relations & Development; Mary Lynn Laughlin, CFA, Northern Trust; Allyn Adams, Retired Partner, Deloitte & Touche, LLP

H Patrick Perotti, Esq.; Barbara Marlowe; and Howard Rabb, Esq., of Dworken & Bernstein Co., LPA



"Three generations of my family have been served by University Hospitals with the best of medical care."

- Lawrence Hatch, Esq., Chair, UH Diamond Advisory Group

UH Highlights

UH Physicians Recognized on 2010 Best Doctors List

University Hospitals physicians had an excellent showing in the 2010 Best Doctors issue of Cleveland Magazine with 204 UH doctors on the list – 39 more than in 2009. Raymond Onders, MD, Director of Adult Minimally Invasive Surgery, appears on the magazine cover and five UH doctors – John Blebea, MD, Division Chief of Vascular and Endovascular Surgery; Alan Cohen, MD, Surgeon-in-Chief at UH Rainbow Babies & Children's Hospital and Division Chief of Pediatric Neurosurgery; Peter DeGolia, MD, Director of The Center for Geriatric Medicine; Afshin Dowlati, MD, Disease Team Leader, Lung Cancer and Thoracic Scientific Team; and Jonathan Ross, MD, Division Chief of Pediatric Urology, were featured in special profiles. The list is excerpted from The Best Doctors in America database, which is compiled by Best Doctors Inc. through peer-to-peer physician surveys and nominations.

Top 10 Ranking for University Hospitals

University Hospitals has been ranked the #7 most integrated health system in the country according to the Jan. 25 issue of Modern Healthcare. UH rose from #10 last year to #7 this year. According to the magazine, "The systems that landed in the top 10 did so primarily because of their financial performance, as measured by operating and profit margins, and by the systems' ratios of long-term debt to capitalization."

Surgical Intensive Care Unit Receives Beacon Award

For the third consecutive year, University Hospitals Case Medical Center Surgical Intensive Care Unit (SICU) has received the prestigious Beacon Award from the American Association of Critical Care Nurses. UH Case Medical Center is the only hospital in the nation to have its Medical Intensive Care Unit and Surgical Intensive Care Unit both receive the Beacon Award, recognizing the nursing teams for meeting rigorous standards in recruitment and retention, training, evidence-based practice and research, patient outcomes, healing environment, leadership and organizational ethics.

UH Geauga Medical Center Earns Advanced Primary Stroke Care Certification

The Joint Commission has certified the UH Geauga Medical Center Neurological Institute as an Advanced Primary Stroke Center. The certification recognizes UH Geauga Medical Center's state-of-the-art stroke care and dedication to fostering better outcomes. The Joint Commission is the accreditation body for health care providers throughout the U.S. The certification process involved unannounced, on-site evaluations at UH Geauga Medical Center. The Primary Stroke Center certification program was developed in 2003 by the Joint Commission in collaboration with the American Heart Association and American Stroke Association to recognize centers that are leaders in stroke care.

Contact Us: If you would like to learn more about the gift plans highlighted in this issue, contact a gift planning professional at University Hospitals.

DIAMOND NEWSLETTER

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DIAMOND HEIRLOOMS | GIFTS FROM THE PAST SHINE INTO THE FUTURE

THE WADES' ENDURING SUPPORT

In the early 20th century, Jephtha Homer Wade II and his wife Ellen Garretson Wade created a trust in perpetuity to support Lakeside Hospital, the cornerstone of what is now University Hospitals. Jephtha II and his grandfather, Jephtha Homer Wade I, were the business leaders who built the Wade fortune and made possible the family's philanthropic legacy, while Ellen Garretson Wade made her own distinct impact.

Wade family patriarch Jephtha I was an itinerant portrait painter who became a telegraph pioneer, the president of Western Union and an American industrial magnate. He was an incorporator of Case Institute of Technology; donated the land for Wade Park, which became central to University Circle; and co-founded Lake View Cemetery.

Jephtha II continued his grandfather's legacy as a business leader whose resources supported many Cleveland institutions. In addition to supporting University Hospitals, Jephtha and Ellen Wade had a key role in creating the Cleveland Museum of Art and donated many of their collections to the museum.

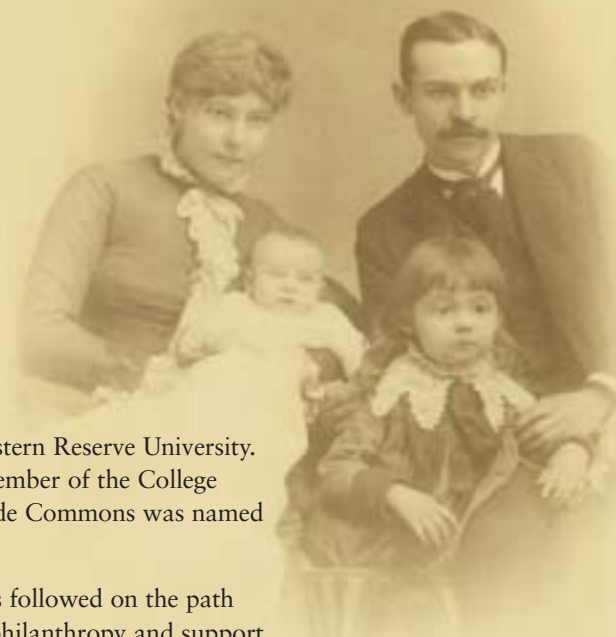
Notably, Jephtha II commissioned a chapel at Lake View Cemetery as a memorial to his grandfather. The artistic treasure of the chapel is its Tiffany glass window, the centerpiece of the Paris Exposition in 1900.

His wife Ellen Garretson Wade was a philanthropic force in her own right, and had a long and important connection with Flora Stone

Mather College of Western Reserve University. Serving as a charter member of the College Advisory Council, Wade Commons was named in her honor.

Succeeding generations followed on the path of Cleveland-focused philanthropy and support for University Hospitals. The Wade's daughter, Helen Wade Greene, created a trust in 1957 that continues to support UH. One of the couple's granddaughters is Elizabeth Sedgwick, a longtime UH supporter and wife of the late Ellery Sedgwick Jr., former president of UH Board of Directors. The other granddaughter, Ellen Wade Chinn, married the late Austin B. Chinn, MD, a pioneer UH gerontologist and the first medical director of the Benjamin Rose Institute. Ellen, a philanthropic leader for a number of cultural institutions, died in 2008. Dr. Chinn and his wife were contemporary lights of the extended Wade family, a Cleveland clan of inestimable value to the city and UH.

The Wade heritage of philanthropy endures through Jephtha II and Ellen Garretson Wade's 12 great-grandchildren, who continue the family's commitment to Cleveland as Trustees of the G.G. Wade Charitable Trust No. 2, which annually benefits University Hospitals as well as numerous other Cleveland organizations.



Ellen Garretson Wade and Jephtha Homer Wade II, with sons, (l to r) Jephtha Homer Jr. (Jep) and George Garretson (Garry).