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Financial Advisor Current Events Update
March/April 2015

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I. Reflection of the Month

Do what you want to do.

"Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did so. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover." -Mark Twain

II. On the Lighter Side

Good news...bad news

The Lawyer says to the wealthy art collector tycoon "I have some good news and I have some bad news." The tycoon replies "I've had an awful day, let's hear the good news first."

The lawyer says "Well, your wife invested $5,000 in two pictures this week that she feels are worth a minimum of $2-3 million dollars." The tycoon replies enthusiastically "Well done, very good news indeed. You've made my day. Now what's the bad news?" The lawyer answers ***"****The pictures are of you with your secretary."*

III. 2015 Estate and Gift Tax Limits

FORBES – Ashlea Ebeling

The Internal Revenue Service published the 2015 estate and gift tax limits. The federal estate tax exemption rises to $5.43 million per person, and the annual gift exclusion amount stays at $14,000. These numbers, adjusted annually for inflation, matter to wealthy folks who are trying to whittle down their estates by making gifts to family members. It's an annual exercise, done at year-end or the first of the year, depending on the family. Here are the numbers to talk about.

The federal estate tax exemption—that's the amount an individual can leave to heirs without having to pay federal estate tax—will be **$5.43 million in 2015**, up from $5.34 million for 2014. That's another $90,000 that can be passed on tax-free. **The top federal estate tax rate is 40%.**

The gift tax is tied to the estate tax, so the inflation indexing helps the wealthy make the most of tax-free lifetime giving too. You can make the gifts during your lifetime; just you have to keep track of them as they count against the eventual estate tax exemption amount. In other words, you can't double dip. So a woman who set up a trust for her kids with $5 million a few years ago could make new gifts to add to the trust and bring it up to the $5.43 million amount. A husband and wife each get their own exemption. So a couple will be able to give away $10.86 million tax-free in 2015 (assuming they haven't made prior lifetime gifts).

Totally separate from the lifetime gift exemption amount is the annual gift tax exclusion amount. It's $**14,000 for 2015**, the same as 2014, up from $13,000 a year in 2013. You can give away $14,000 to as many individuals as you'd like. A husband and wife can each make $14,000 gifts. So a couple could make $14,000 gifts to each of their four grandchildren, for a total of $112,000. The annual exclusion gifts don't count towards the lifetime gift exemption.

If you want to make gifts and not have to bother to keep track for gift tax purposes, you can make gifts for medical, dental, and tuition expenses for as many relatives (or friends) as you'd like if you pay the provider directly. These gifts don't count towards any of the limits.

Another tactic is to fund a 529 college savings plan for your children or grandchildren. There's

a special rule, a 5-year election that lets you put five years of annual exclusion gifts in a plan at once—so a widowed grandma could put $70,000 in an account for her grandson. Grandma would have to file a gift tax return, but there would be no gift tax, assuming no other gifts to that child over those years.

With the federal estate tax exemption rising, most people won't need to use the annual gift exclusion to whittle down their estates. But it's a tool you can use if you live in one of 19 states plus the District of Columbia that impose separate state death tax levies.

TAF Comments: If you are interested in reviewing these states, see our **FA Current Events Update from November and December 2014 and review section III – Where Not to Die in 2015.**

IV. An Estate Plan Valentine

Posted by Matthew McClintock, J.D.
(Wealth Counsel

"He's not cheating on you, it's true love"

Wine, flowers, chocolate. A candlelit dinner, a horse-drawn carriage ride through the park. There are so many ways to say "I love you." While it may not ring as romantic as a Sinatra love song, estate planning can also be a real expression of love and devotion. In fact, there's even a special name for one plan: the "I Love You" Will.

The "I Love You" Will is disarmingly simple. It's a **basic Will** where each spouse simply leaves everything to the other. Romantic? Yes. Practical? For most couples, no. At least not for very long. An "I Love You" Will may be a nice place to start, but with the passage of time and the inevitable twists and turns that life brings us, it's no place to finish. Like love, an **estate plan** grows and changes over time. That's what makes it so unique, so special.

TAF Comments: If this leaves you asking yourself "What are the advantages of a Trust vs a Will?" We have identified some of the advantages below:

1. Identification of all assets
2. Disability planning
3. Probate avoidance
4. Reduction of the amount of time it takes to settle the estate
5. Reduction of attorney's fees
6. Privacy
7. Reduced hassle to beneficiaries
8. No specific proceedings for beneficiaries to object
9. HIPPA compliance
10. Protect your IRAs and retirement plans (you may roll over to IRAs)

V. President Obama's 2015 Tax Proposals

By Bob Keebler

On January 17, the White House released the details of the President's tax proposals for 2015. Those affecting high net worth individuals are summarized below.

- Increase the top tax rate on long-term capital gains and qualified dividends to 28% (Would apply to joint filers with income over about $500,000)
- Treat bequests to non-charitable beneficiaries as gain realization events
  - Current law—basis step up with no gain recognition (Taxpayer gets both a basis step up and tax deferral)
  - Proposal
    - Basis step up, but only because gain is recognized currently
    - Proposal is less favorable than simply denying a basis step up because it accelerates gain recognition
  - Exemption for first $200,000 of capital gain for married couples
  - Exemption for first $100,000 of capital gain for individuals
    - Exemption applies only to gains, not to value of assets transferred, so assets with a higher value could be bequeathed tax free
    - Exemption automatically portable between spouses
  - For couples, no tax would be due until the death of the second spouse
  - $500,000 exemption on personal residence for couples and $250,000 for individuals (Automatically portable between spouses)
  - No tax due on inherited small inherited family-owned and operated businesses unless and until the business is sold
  - Any closely-held business would have the option of paying the tax on gains over 15 years
  - Bequests or gifts of tangible personal property other than expensive art and similar collectibles would be tax-exempt
- Treat gifts to non-charitable beneficiaries as gain realization events
  - Current law
    - No basis step up but no gain recognition either
  - Proposal
    - Basis step up but only because gain is recognized currently
- Prohibit contributions to and accrual of additional benefits to qualified plans and IRAs when balances are sufficient to provide an annual income of $210,000 in retirement
  - Current maximum allowable balance would be about $3.4 million
  - Planning
    - Reduce balance by using account funds to do a Roth conversion

- **Example:** Taxpayer with $5.666 million IRA. Tax on conversion at 40%. Conversion reduces account balance to under $3.4 million.
- Increase after-tax value of $3.4 million amount by using outside funds to do a Roth conversion
- **Example:** Taxpayer with $3.4 million IRA. Conversion leaves same $3.4 million in IRA, but $3.4 million IRA worth the same as a $5.667 million traditional IRA after tax.

- Employers with more than 10 employees but no retirement plan would be required to enroll all workers in an IRA (auto-IRA)
    - Tax credit of up to $3,000 for employers with up to 100 employees that offer an auto-IRA

VI. Tax Court Settles the Score on Sports Collectibles Activity

By: BizActions (Thomson Reuters)

Are you a collector of antiques, artifacts or other goods? If your passion evolves into a full-fledged business with a profit motive, you may use a resulting tax loss to offset other income on your return. However, if the IRS classifies the activity as just a hobby -- as it frequently does -- the tax benefits are more limited. In one recent example, the U.S. Tax Court sided with the IRS against a collector of sports memorabilia.

The Ground Rules

The IRS or a taxpayer will often contest the issue of whether an activity is engaged in for a profit or whether it merely constitutes a hobby. The reason for the debate is simple: if the activity is treated as a business, the taxpayer can deduct the full amount of expenses attributable to the business. Typically, a taxpayer might show losses in the early years of the operation. These losses can then be used to offset high-taxed income such as wages from a regular job.

Conversely, if the activity is classified as a hobby (one which isn't engaged in for a profit), deductions for expenses are limited to the amount of the income received from the activity. Thus, the taxpayer isn't able to claim a tax loss for the year. This is commonly called the "hobby loss rule."

Furthermore, note that hobby expenses must be deducted as miscellaneous itemized expenses. These expenses are deductible only to the extent the annual total exceeds 2 percent of adjusted gross income (AGI). Accordingly, a taxpayer may derive little or even no tax benefit from the activity.

IRS regulations spell out nine factors to be used to determine whether an activity is a business or a hobby. They are:

1. The manner in which the taxpayer carries on the activity.

2. The expertise of the taxpayer or his or her advisers.

3. The time and effort expended by the taxpayer in carrying on the activity.

4. The expectation that assets used in the activity may appreciate in value.

5. The success of the taxpayer in carrying on other similar or dissimilar activities.

6. The taxpayer's history of income or losses with respect to the activity.

7. The amount of occasional profits, if any, which are earned by the taxpayer.

8. The financial status of the taxpayer.

9. Any elements of personal pleasure or recreation.

No single factor is conclusive, although the IRS may accord certain factors greater weight than others.

Facts of the Recent Case

Terry Gene Akey, a resident of Massachusetts, worked full-time as a quality assurance engineer. For the three tax years in question (2001-2003), he was paid wages of approximately $151,000, $133,000 and $153,000, respectively. Akey also operated a side business involving technical computer and software services and another one for sports-related collectibles. Both side businesses were started in the 1980s.

On his 2001 return, Akey provided a single Schedule C, on which he described his business as "network consulting / testing, sales software / sports memorabilia." It showed gross income of $26,000, cost of goods sold of $88,000, and other expenses of $81,000. For 2002 and 2003, he filed separate Schedules C for the software business and sports memorabilia businesses. For both of those years, the sports memorabilia business reported zero income, zero cost of goods sold and about $20,000 in other expenses.

For all three tax years, Akey did not show any expenses for insuring the sports memorabilia assets. He did not have a bank account, an inventory system, an accounting system or any books and records for the sports memorabilia activity. The IRS disallowed the losses stemming from this endeavor.

Akey testified at trial that he had an honest objective of making a profit from his sports memorabilia activity. He pointed out that he had expanded into other sports-related products and had learned to grade the condition of baseball and other cards so the activity would be more profitable.

Tax Victory for the IRS

Based on the prevailing regulations, the Tax Court decided that Akey didn't have a profit motive and that the hobby loss rule applies. The Court focused on the following factors.

Manner of activity. Akey didn't carry on this activity in a businesslike manner. He failed to maintain records, did not change his operating

methods to increase profitability, and did not maintain a separate bank account for the sports memorabilia activity.

Expertise of taxpayer. At trial Akey testified that he was an expert because he consulted industry price guides, but conceded on cross-examination that non-experts also purchased these guides. There was no other evidence establishing him as an expert.

Time and effort. Despite an incredulous assertion that he spent 15 hours a day, every day, on his collection, Akey could not prove that he devoted much personal time and effort to carrying on this activity. Also, he continued to be employed full-time.

Expectation of appreciation. There was no realistic expectation that the assets used in the activity would appreciate in value. Akey gave vague testimony as to the value of the assets. He did not have an itemized list of the individual items nor any apparent means of tracking appreciation, making it impossible to determine which items to hold and which ones to sell. Also, he did not have any insurance, suggesting that he was not concerned with protecting his investment.

History of income or loss. Akey had a long history of substantial losses, including the tax years in issue. He showed a minimal profit in only three years from 1997 through 1999.

Financial status. If a taxpayer has substantial income from sources, it may indicate that the activity is not engaged in for profit. Akey's wages from his full-time job enabled him to pursue his longtime passion of collecting sports memorabilia.

In summary, the Tax Court disallowed the losses for the activity, based on the factors discussed above. (*Akey*, TC Memo 2014-211)

Important: If you are claiming that a particular activity is a business, treat it like a business yourself. Maintain accurate records, keep an inventory, protect assets through insurance, and otherwise handle matters in a businesslike fashion. The more factors you can tilt in your favor, the stronger your overall tax position will be.

A Deductible Loss, We Presume

A presumption written into the tax law may favor certain individuals.

How it works: An activity is presumed to be a business if you have shown a profit in at least three of the last five tax years (two of the last seven years for activities involving breeding, showing, training or racing horses). But this presumption can be rebutted by evidence produced by the IRS, so don't assume you're in the clear.

Continue to treat the operation like a business in all respects to boost your chances of success.

VII. Financial Tips for Helping Adult Children

by B. Kelly Graves - WSJ

Advisor Encourages Retired Clients to be a Bit Selfish so They Don't Run Out of Money

More and more these days, I'm hearing from retired clients who want to provide financial help to an adult child in his or her 30s, 40s or 50s. That child may have lost a job during the recession, gotten divorced or need help paying for a child's college education.

The problem is, the parents are often in a somewhat precarious financial situation themselves, and every dollar they give away to a child puts them at risk of depleting their retirement savings.

My first reaction in these cases is to preserve the parents' assets. I tell them they did a good job raising their children, but that they have to be a bit selfish now because they might live to be 90 or older and they're going to need the money. If I'm lucky, I might convince them to reduce the amount they plan to give.

But often clients are determined to help their family.

One creative solution is for the parents to make a loan that serves as an advance on the child's inheritance. Even though it's a loan, the chances are the client is never going to see that money again.

The child signs a promissory note with a low rate of interest, and the note is due to the parents in 30 years or upon the death of the second parent, when the estate settles. Parents like this arrangement because it's a way to give one child some money while treating all children equally in the estate. The estate split can still be equal, and the loan for the needy child gets repaid back to the parents' estate from the child's inheritance. The children like this approach because the money is a loan, not a handout.

Another approach is for the parents to guarantee a bank loan instead of lending the money directly. This can be useful for the parents because it doesn't deplete their assets. But it requires more documentation, and the banks typically won't offer a personal loan like this for a term longer than 10 years.

I also have clients who gift the maximum amount that is exempted from federal taxes to a child in dire straits. But it's crucial to emphasize to the child that this is a one-time deal. Otherwise, the child will get used to riding the gravy train—and most parents can't afford that.

VIII. 10 Worst States for Retirement

In our November / December update, we covered "Where not to die" and in the January / February update we covered the "Top 10 States with Highest Estate Tax." I figured we may as well stick with top 10 subject and cover another Top 10 list with the 10 Worst States for Retirement. This list comes from a piece I saw in USA Today and the ranking is as follows:

10. Alabama
Alabama ranked poorly because of low life expectancy and high crime. Alabama does not have a state estate tax.

9. Michigan
Michigan ranked poorly due to economic factors, crime, and many other reasons.

8. (tie) New York
New York ranked poorly due to high income and property taxes and a high cost of living, as well as harsh winters. The fact that New York's separate state estate tax is phasing out may help in future rankings.

8. (tie) Maryland
Maryland, too, ranks poorly due to a high cost of living and higher than normal taxation. As with New York, the fact that Maryland's separate state estate tax is phasing out may help in future rankings.

8. (tie) Georgia
Georgia ranks poorly in most categories besides weather. It should be noted that Georgia does not have a state estate tax.

5. Nevada
Nevada made this list due to a high crime rate and low life expectancies. The state has neither a state income tax nor a state estate tax.

4. Illinois
High property taxes contributed to Illinois' appearance on this list. Illinois does have a separate state estate tax.

3. Tennessee
Tennessee ranks poorly due to high crime and low life expectancy. Tennessee has no tax on income except dividends and interest.

2. Louisiana
Louisiana ranks poorly due to high crime and low life expectancy.

1. Alaska
Alaska is ranked as the worst state for retirement due to harsh winters and its high cost of living. Alaska has no state income tax and no separate estate tax.

This listing in *USA Today*, based on a survey by MoneyRates, demonstrates that taxes are only a small part of the equation. Three of the five worst states for retirement have no state income tax, Alaska, Nevada, and Tennessee (except dividend and interest income tax). Many of the 10 worst states have no state estate tax. This list demonstrates that taxation is not the primary consideration for most people.

IX. Is the IRA Inheritance Trust Overkill on Estate Planning in Florida?

By Jim Collins, The Andersen Firm

I had a telephone conference with a client recently and then again with a Financial Advisor who questioned the need for the IRA Inheritance Trust. They are sometimes informed by media and/or other sources that "IRA Inheritance Trusts are not necessary in Florida, are overkill in Florida, because '*everyone knows'* the Fla. Statutes specifically exempt even inherited IRAs from creditors."

This is NOT the first time I have fielded this objection, and I believe we will continue to hear it. Thus, I took the time to draft a few "Talking Points" to review if and when this comes up. The first 4 points are the Florida and US intertwined legal background, and point 5 is where that leaves us now and why the IRA Inheritance Trust is still important, even in Florida.

1. Robertson v. Deeb, 8/14/09, District Court of Appeal of Florida, Second District. **Court's reasoning:** The court held that this IRA was not exempt, and reasoned that because inherited IRAs lose their tax exempt status the IRA is not protected. In addition, because the plain language of section 222.21(2)(a) references only the original "fund or account" and the tax consequences of inherited IRAs like the one in this case render them a completely separate "fund or account," such inherited IRAs are not exempt under that section.

2. Judge K. Rodney May, a bankruptcy judge from the Bankruptcy Court for the Middle District of Florida, in *re Ard*, 435 B.R. 719, 721 (Bankr. M.D. Fla. 2010), found *Robertson* persuasive. Thus, he also held that inherited IRAs were not exempt. He sustained the Chapter 7 Trustee's objection to the Debtor's inherited IRA from her father, permitting the Trustee to administer the inherited IRA for the benefit of the creditors.

3. Accordingly, in 2011, the FL legislature amended the Florida statute to make it clear that inherited IRAs were exempt. This amended statute is too new to generate any reported cases so far. Fla. Stat. § 221.21(c)(2) currently states: "any money or other assets or any interest in any fund or account that is exempt from claims of creditors of the owner, beneficiary, or participant under paragraph (a) does not cease to be exempt after the owner's death by reason of a direct transfer or eligible rollover that is excluded from gross income under the Internal Revenue Code of 1986, including, but not limited to, a direct transfer or eligible rollover to an inherited individual retirement account as defined in s. 408(d)(3) of the Internal Revenue Code of 1986, as amended. This paragraph is intended to clarify existing law, is remedial in nature, and shall have retroactive application to all inherited individual retirement accounts without regard to the date an account was created."

4. On June 12, 2014, in the case of *Clark v. Rameker (In re Clark)*, the U.S. Supreme Court ruled that inherited individual retirement accounts were not protected from the reach of an individual's creditors under bankruptcy law. The Supreme Court found that the attributes of an inherited IRA as compared to a plan owner's IRA during the plan owner's life were sufficient to make inherited IRAs fall outside the definition of "retirement funds" under the Bankruptcy Code10 and were, therefore, subject to the claims of creditors.

5. Thus, one *could* say, and we are hearing people say: "Even after Clark, don't worry because Fla. Stat. § 221.21(c)(2) specifically exempts inherited IRAs from creditors." However, several HUGE problems:

   a. The statute is new and untested, no case law on point just yet.

   b. It is KEY that this Fla. Statute would *only* apply if the child or other non-spouse beneficiary is a resident of Florida. Thus, if our clients have children outside Florida, or children who later move outside Florida, then this Fla. Statute would not apply. Note that the residency of the debtor when filing bankruptcy determines which law is applicable under section 522(3)(a). If a Florida resident moves to another state, she or he is precluded from claiming Florida exemptions and thus the *Clark* holding may be controlling, depending on his or her current state of residency. Alternatively, if a Florida resident dies and his or her IRA is inherited by a relative who resides in another state, the law of that state would apply if that relative were to file bankruptcy. Thus, the *Clark* decision may be applicable. After an IRA owner dies, the inherited IRA's exemption status is based upon the laws of the state where the debtor/beneficiary resides regardless of where the decedent lived. If a Florida resident designates children as after-death beneficiaries of his IRA the children's exemption of their inherited IRA will be based upon the laws of the state(s) where the children reside. Most states' laws do not specifically exempt inherited IRAs. Children living in states whose statutes cover IRAs in general without specifically including inherited IRAs will probably be impacted by the Supreme Court ruling. A Florida resident's lifetime IRA may lose its creditor exemption if it is inherited by an heir living in another state.

   c. Finally, we must recognize that Florida's statute is in conflict with federal bankruptcy case law now after Clark. Florida's rule protecting inherited IRAs will bump up against federal bankruptcy law, and no one knows yet which set of rules will prevail. While a debtor who lives in Florida could keep a creditor from attaching her inherited IRA, it is unknown whether that debtor would succeed in having her debts discharged in bankruptcy while still retaining an inherited IRA. We will have to wait for the courts to rule on this issue.

X. Another Family Sports Team Failure, Another Lesson Learned

By Steve Parrish - FORBES

Stop me if you've heard this one before. The owner of a major sports franchise could lose his $1.7 billion empire in a family feud. He reportedly pushed aside a daughter and grandchildren in favor of his third wife.

Family members claim he's mentally incompetent, and a court has ruled the owner must undergo evaluations by three different doctors.

This *isn't* the story of Donald Sterling, the now former owner of the NBA's L.A. Clippers. It's fresh news this week that Tom Benson, owner of the NFL's New Orleans Saints, and his family are in a similar conundrum.

After Sterling stirred up serious trouble for his racist rant, a judge ultimately allowed Sterling's wife Shelly and the Sterling Family Trust to sell the Clippers. And competency isn't the only family issue that has caused the loss of a professional sports team. Frank and Jamie McCourt's bitter divorce battle contributed to the takeover of the L.A. Dodgers by Major League Baseball in 2012.

Is this some kind of 21st century curse? Sadly, no. It's not even a recent phenomenon, and it goes beyond matters of legal competency or spousal feuds.

Back in the 1970s, Phillip and Helen Wrigley, of chewing gum and baseball fame, died within two months of each other. They had not done adequate estate planning and ended up with an estate tax estimated at $40-50 million. The family was forced to sell ownership in the Chicago Cubs and Wrigley Field, which it had owned since the early 1900s, to pay the tax bill. Further legal wrangling, spousal disputes and family fights ultimately led to the sale of Wm. Wrigley Jr. Co. in 2008.

Another failed family sports team dynasty was lost more to poor planning than family feuds.

Joe Robbie was the founder and owner of the incredibly successful Miami Dolphins professional football franchise – the team that scored a perfect season in 1972. Despite his business talent, his estate planning failed. When he died in 1990, both his beloved team and Joe Robbie Stadium – that he had just completed in 1987 – had to be sold by his family to pay federal estate taxes.

What lessons can we learn?

The point in recounting these sad stories is not to suggest we should avoid family ownership of businesses. Rather, these tales remind us that even the most successful businesses need to plan for the day when the owner is no longer around:

1. Many family-owned businesses fail because of poor planning outside of the business itself. Divorce, competency disputes and family infighting cause distractions that spill over into ownership of the business. And inadequate estate planning can generate liquidity issues that force unwanted sales of business assets to settle the estate.

2. With adequate planning, family-owned businesses can thrive. Granted, the above stories demonstrate high-profile failures. But look at the high-profile dynasties that continue to thrive. For example, consider the connection between the Steinbrenner family name and the New York Yankees. The team is owned by Yankee Global Enterprises, an LLC controlled by the family of George Steinbrenner, who purchased the team in 1973. Similarly, the Pittsburgh Steelers have remained within the Rooney family since the team's founding by Art Rooney in 1933.

3. Bad things can happen no matter how much planning is done. Family members can lose competency and make disastrous decisions. Couples can let their personal animosities unwind the family fortune. The trick is not to change the nature of families but rather to contain the damage. Routine legal and financial moves can help avoid the loss of family dynasties. Pre-nuptial arrangements, buy-sell agreements and similar plans can stem legal challenges. Life insurance, sinking funds and other financial strategies can avoid liquidity problems.

While some might think family-owned sports teams are more plagued than Boston was by the 86-year "Curse of the Bambino," I encourage you to look past curses to investigate causes. Identify potential estate and financial planning challenges your business might face, and deal with them. You'll have better odds your family ends up on the winning side.

COMMENTS: The Andersen Firm is available to assist clients, Financial Advisors and other financial professionals with their estate planning needs. Call Shannon "Fergie" Ferguson, Shannon Jones or Angela Christian at 866.230.2206 to organize a time that works for your schedule.

XI. Selecting a Third-Party Trustee

Every trust is required to have a trustee. The most common trust is a revocable living trust where the individual and their spouse serve as trustees.

Upon death, however, the revocable trust becomes an irrevocable trust for the surviving spouse and beneficiaries. There are many other types of irrevocable trusts such as Irrevocable Life Insurance Trusts, Legacy Trusts and Build-up Equity Retirement Trusts for gifting to spouses as a few examples.

The issue is who will serve as trustee. Will it be a beneficiary, a friend or family member, or an independent third party? In those cases where it is desirable to choose an independent third party trustee, there are many fine institutional trustees available.

There are, however, some trusts that very few trustees want to handle. Examples of these include unfunded Irrevocable Life Insurance Trusts and Domestic Asset Protection Trusts. In cases such as these, The Andersen Firm is available to serve as trustee for both revocable and irrevocable trusts.

Trustees must have the skills to handle the technical matters that arise, including taxation, trust administration, and asset management. They also need to be able to serve the lifespan of the trust, which could span generations. Furthermore, these actions must be done according to the specific document provisions and laws governing your trust.

Deciding on a corporate trustee can reduce possible personal conflicts within your family or among beneficiaries while ensuring the continuity of oversight for the life of your trust.

Benefits of Hiring a Corporate Trustee

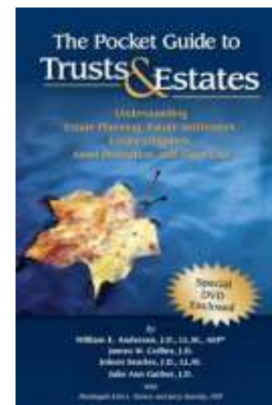
- Avoid conflicts of interest
- Confidentiality of sensitive family financial information
- Independent & objective plan advice
- Regulatory & compliance reporting
- Ease of overall administration
- Providing consolidated asset & income statements
- Processing receipts & disbursements
- Assisting CPA with preparation of required tax forms

XII. Q & A Corner

Continuing Education Requirements:
The Andersen Firm is required to post all attendees for a CE session within 3 weeks of completion of the workshop. Please confirm your CE throughout the year as we are unable to back-date attendee participation.

XIII. The Pocket Guide to Trusts and Estates

Bill Andersen, Joleen Searles, Julie Ann Garber and Jim Collins with Erin Turner and Jerry Saresky have released their collaborative book ***The Pocket Guide to Trusts & Estates: Understanding Estate Planning, Estate Settlement, Estate Litigation, Asset Protection and Elder Law***. If you have not already received your complimentary copy, call Angela Christian today at 866.230.2206 and she will send you your personal copy. Books can be purchased on Amazon.com as well.



COMMENTS: The Andersen Firm is available to assist clients, Financial Advisors and other financial professionals in multigenerational estate planning and many of the issues surrounding working with a client's family. Call Fergie Ferguson, Angela Christian or Shannon Jones at 866.230.2206 to organize a time to speak with a knowledgeable attorney that works for your schedule.

XIV. Flowcharts – Explaining Estate Planning to Your Clients

Many of our financial advisors have requested flowcharts to explain Estate Planning to their clients. They are available for you to download directly from our website at TheAndersenFirm.com. Call us if you have questions or need our assistance in working with you and your clients.

1. Foundational Planning: The Basics
2. IRA Inheritance Trust: Planning For Qualified Money
3. Qualified Personal Residence Trust: Getting The Value of Your Homes Out of Your Estate
4. Irrevocable Life Insurance Trust: How To Hold Insurance
5. Build Up Equity Retirement Trust: Spousal Gifting Trust
6. Legacy Trusts: Gifting To Children and Grandchildren and Others
7. Grantor Deemed Owner Trust: How To Hold Large Insurance Policies
8. Wyoming Close LLC: For Asset Protection and Gifting
9. Wyoming Domestic Asset Protection Trust: The Best Domestic Asset Protection Available
10. Florida Domicile Checklist
11. Multigenerational Planning

XV. The Andersen Firm Areas of Practice

Estate Planning

- At The Andersen Firm we have planned for a vast array of estates ranging in size from a few hundred thousand dollars to a hundred million dollars and up, all the while realizing each specific case is different and requires specialized attention.

Estate Settlement

- The process of settling an estate can be difficult and emotionally painful for the family and loved ones of the deceased. It is our goal at The Andersen Firm to ensure that the process be handled with compassion, expedience, professionalism, and expertise, while protecting the rights of all parties involved. If the circumstances surrounding a client's estate require probate, our attorneys offer extensive experience in handling the processes and legalities involved.

Estate Litigation

- Our lawyers are not only skilled at handling cases involving estate and trust disputes, they draw on a thorough knowledge base of the specific procedures surrounding these issues. The Andersen Firm can efficiently take each case through to completion realizing that full blown litigation often can be avoided if we work diligently to come to resolution.

Asset Protection

- For some, putting an Asset Protection Plan in place is advisable in order to attempt to remove the economic incentive to be sued and also to try

and increase the ability to force an early settlement in the event a suit is filed.

XVI. Estate Litigation

Attorneys at The Andersen Firm represent beneficiaries, trustees and personal representatives in various jurisdictions dealing with estate litigation and probate litigation matters. A Will contest challenges the admission of a Will to probate or seeks to revoke the probate of a Will that is already pending before the probate court. A similar type of estate litigation can take place contesting the terms of a trust. The most common causes of action in both Will contests and estate litigation can be found at www.TheAndersenFirm.com or call us at 866.230.2206.

XVII. Mail Away Estate Plans

If a client is in another state, unable to travel, on vacation, a snowbird or another situation that would prevent them from meeting with an attorney in person, The Andersen Firm attorneys are able to design, draft and execute estate plans via telephone conference and mail away documents.

XVIII. Meet your Settlement and Probate Team!

After the loss of a loved one, clients are facing some of the most emotionally painful times in their lives. The Andersen Firm is here to provide support and guidance through this difficult time. This team works closely with our skilled attorneys to ensure the clients' needs are met. This team includes Teresa Sorah and LeeAnne Bowen. The following is a brief introduction:

Teresa Sorah's legal career began in 1988 at a large law firm in New Orleans, Louisiana. For more than 17 years, Teresa has worked in the areas of estate planning, probate, and trust administration, with her primary focus being in the area of probate. Teresa grew up in Memphis, Tennessee, and graduated from Memphis State University. She lives in beautiful East Tennessee with her husband, who is a pastor, and their two children. Some of her favorite activities are traveling, attending church events, and playing and teaching piano. Teresa is glad to be able to assist clients through the settlement process.

LeeAnne Bowen grew up in Youngstown, Ohio and is a graduate of Youngstown College of Business as a Certified Legal Secretary.

She began her legal career in 1984, working with a solo practitioner attorney. In 1986 she moved to Atlanta, GA where she gained 16 years of experience in litigation, personal injury, medical malpractice, estate planning, and corporate law in small to medium sized firms.

LeeAnne and her family relocated to Tennessee, where she was employed by an attorney in Elizabethton for more than 6 years. Her paralegal career focused on real estate, estate planning and probate and trust settlement. LeeAnne joined The Andersen Firm in 2013 to further enhance the settlement and probate departments with her skills as a paralegal.