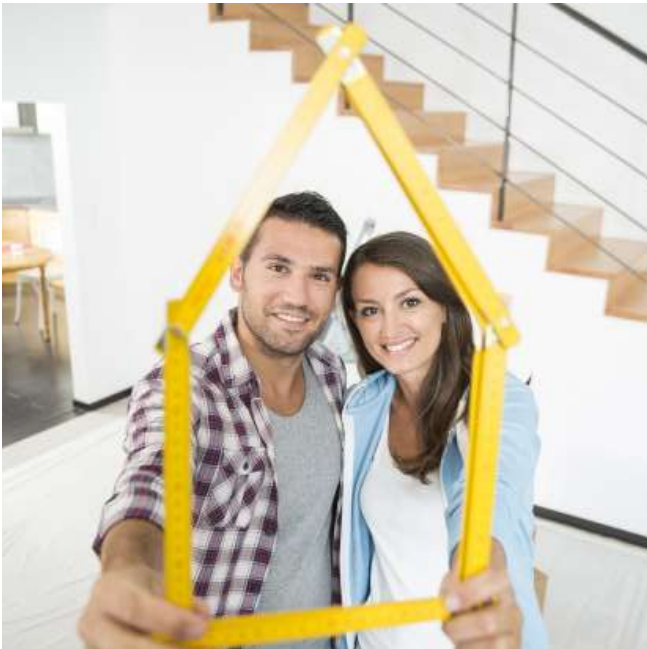


ESTATE PLANNING



Whether you like it or not, you will have an estate plan when you die. The only problem is that if you do not create your own plan, the courts will write one for you; someone else will decide who will receive your wealth and who will become the guardian of your children. The importance of a properly prepared estate plan is not only prudent, it is an invaluable gift to your loved ones.





**Make a future
for the next
generation.**

WHAT IS ESTATE PLANNING?

Estate planning is the development of specific steps for managing your wealth and assets while you are alive and then distributing your assets in the event of your death.

AN EFFECTIVE ESTATE PLAN SHOULD ACCOMPLISH SEVERAL IMPORTANT GOALS:

- ✓ It should make sure that your wealth reaches your intended heirs in the manner you choose.
- ✓ It should minimize the erosion of your wealth from unnecessary legal fees, court costs, probate, federal and state taxes.
- ✓ It should transfer your estate as quickly as possible.
- ✓ It should allow for the control of your estate to remain within your family.
- ✓ It should eliminate the necessity of a court appointed guardian if you become unable to manage your affairs.
- ✓ It should transfer your wealth in a private and personal manner.



ISN'T ESTATE PLANNING ONLY FOR THE RICH?

Many believe that only the rich need to plan their estate – that's not true. Your home, a modest investment portfolio and life insurance should be protected. In most states, an estate of more than \$30,000 will be subject to probate. It may also be subject to taxes and other liens.

Small or large, your estate should be protected.

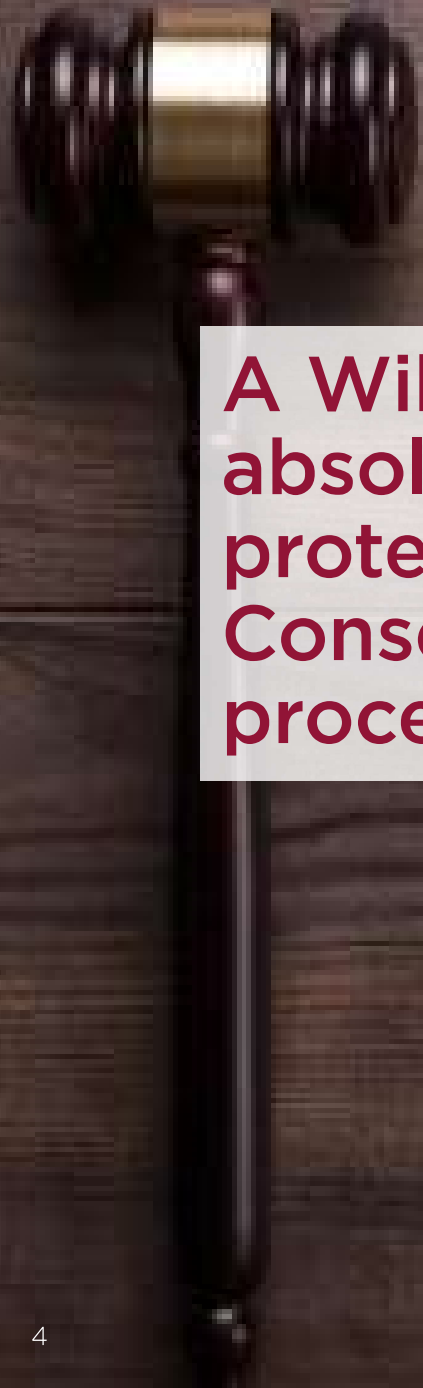


WHAT IF I CHOOSE NOT TO PLAN?

It is estimated that as much as 70% of the American public chooses to do nothing concerning proper planning of their estate. Some believe that such planning is only for the wealthy, while others simply procrastinate until it's too late.

DON'T FOOL YOURSELF!

REMEMBER – Whether you like it or not, you will have an estate plan when you die. However, if you do not create your own plan, the courts will write one for you and will force it upon your loved ones. Someone else will decide who will receive your wealth and who will become the guardian of your children. Your loved ones will have to bear the burden of unnecessary legal fees, bonds, appraisal fees, court costs, federal and state taxes, and more.



**A Will offers
absolutely no
protection from
Conservatorship
proceedings.**

THE PERILS OF PROBATE

Several decades ago, the probate system was designed as an orderly way to transfer wealth and assets to heirs in the event of death or disability. It was supposed to protect your heirs.

Over the years, this system has been transformed into an expensive legal nightmare in which lawyers, courts, guardians, administrators, estate appraisers and bonding companies help themselves to a substantial portion of the estates being probated.

Probate translates into a heavy burden for your loved ones, including:

Excessive Fees - attorney fees, executor fees, appraisal fees, court filing fees and bond premiums.

Excessive Delays - depending upon the complexity of the estate, probate takes an average of nine months to two years to complete. During this time, your assets will be under the control of the court, not your loved ones.

Public Record - every detail of your family's financial status is available for public scrutiny.

Psychological Impact - rigid court proceedings are a constant reminder of your death or that of a loved one.

Multiple Probates - the estate may need to be probated in every state where your assets are located.

PROBATE PROBLEMS EVEN WHILE YOU'RE ALIVE

The problems and perils of probate can start long before you die. Your property can be subject to the supervision and control of the probate court while you are still alive...it's called Conservatorship.

If the court decides you are unable to manage your affairs, the court can appoint a Conservator. A Conservator then makes decisions concerning your wealth and assets instead of you. This can entangle you in all the delay and expense associated with probate, even while you are alive.

Conservatorship can be far more devastating than probate, at least probate must come to an end! Even though probate is costly and time consuming, eventually your loved ones will receive their inheritance. Under a Conservatorship, your property is subject to the supervision of the court until you can prove you are capable of managing your own affairs, or, if you can't convince the court, until your death.



WHO PAYS FOR PROBATE?

Your loved ones pay unless you do something to adequately protect your estate. There are several options available to those seeking to properly plan for the future – some are better than others!

HOW MUCH COULD PROBATE COST ME?

In most states, if you own property or assets valued at \$30,000 or more, your estate will be subject to probate. Additionally, if you own property in more than one state, your loved ones may be forced to face probate in each of those states

Costs

Probate fees are governed by state law.

Statutory Fees

Some states, such as California, have established statutory fees based on a percentage of the GROSS value of the estate.

“Reasonable” Fees

Some states allow “reasonable” fees. This means that your loved ones have to negotiate with the attorney and the executor. Many attorneys consider \$200 per hour, or more, to be reasonable.

Court Costs & Appraisals

Filing fees, travel expenses, inventory and appraisals are almost always additional expenses.



WHAT ARE MY
OPTIONS?



DO NOTHING

We've mentioned that nearly three out of four individuals do not have a plan for managing their estate. As a result, your state of residence, in effect, writes your Will for you and dictates how your property will be distributed.

YOUR BEST OPTION IS A

REVOCABLE
LIVING TRUST



A WILL

A Will is a death document with virtually no validity while the Will maker is living. Although a Will documents the transfer of your assets to your heirs, it will not protect you from the cost and stress associated with probate and excessive delays. Additionally, different states allow for differing interpretations of clauses noted in some Wills. If you move from state to state, costly revisions may be required.



JOINT TENANCY

This occurs when two or more individuals hold title to any asset. Should one of the individuals die, the surviving owner automatically becomes sole owner of the property. Though probate is avoided with the passing of the first owner, probate procedures are required upon the death of the final survivor. You can lose control of your property because of the liabilities of the other Joint Tenant(s). Additionally you cannot sell Joint Tenancy Property without the consent of the other owner(s).

Expensive and lengthy court intervention would be required to adjudicate the disbursement of any property in dispute. Another concern of this planning option is the potential of significant capital gains tax liability associated with Joint Tenancy.



REVOCABLE LIVING TRUST

You transfer all of your assets from yourself as an individual to yourself as the Trustee of the Trust. You can then manage all of your wealth and assets for your own benefit as the beneficiary. You have absolute control over all assets and actions of your trust—spending, saving, investing or giving away assets— without restrictions. Simply amending the terms of the trust can accommodate any changes you desire. You can also revoke the trust at any time.

REVOCABLE LIVING TRUSTS

THE COST OF A REVOCABLE LIVING TRUST IS ONLY SOMETIMES SLIGHTLY HIGHER THAN THAT OF A WILL AND IS OFTEN LESS EXPENSIVE THAN OTHER ESTATE PLANNING OPTIONS. IT ALLOWS FOR FAR GREATER FLEXIBILITY AND SECURITY FOR YOU AND YOUR LOVED ONES. A FEW HUNDRED DOLLARS NOW CAN SAVE YOU TENS OF THOUSANDS IN THE FUTURE.

AVOIDS PROBATE

The revocable living trust protects you from the perils of probate. Upon your death, your wealth and assets go directly to your loved ones, without having to pay expensive attorney fees or other costs such as:

Probate Court Costs

Waiting Periods

Attorney Fees

Executor Fees

Administrative Fees

Expensive Appraisals

Bond Posting Fees

Asset Liquidation

Expensive Litigation

Potential Will Contests

NO DELAYS IN DISTRIBUTING ASSETS

Rather than forcing your loved ones to wait months or even years, your assets may be distributed immediately.

COMPLETE PRIVACY IS HONOURED

The transfer of your wealth occurs within the privacy of your family and is not a matter of public record.

AVOIDS CONSERVATORSHIP

If you become disabled or are unable to manage your estate, your revocable living trust eliminates the need for costly conservatorship. Your Co-Trustee can manage your affairs without any court interference or expense.

GRANTS YOU PEACE OF MIND

With your revocable living trust, you and your family will rest comfortably with the knowledge that your estate will be managed by someone that you have selected in a manner that you can trust.

REDUCES OR ELIMINATES FEDERAL ESTATE TAX

Your revocable living trust can be drafted to take advantage of existing tax laws that allow you to reduce or eliminate your federal estate taxes.

A COMPARISON CHART OF ESTATE PLANNING OPTIONS

	DO NOTHING	SIMPLE WILL	JOINT TENANCY	REVOCABLE LIVING TRUST
AVOIDS PROBATE AT DEATH OF FIRST SPOUSE	✗	✗	✓	✓
AVOIDS PROBATE AT DEATH OF SECOND SPOUSE	✗	✗	✗	✓
PROVIDES MAXIMUM ESTATE TAX SAVINGS*	✗	✗	✗	✓
AVOIDS NEED FOR A LIVING PROBATE**	✗	✗	✗	✓
PROVIDES FAMILY PRIVACY	✗	✗	✗	✓
CREATES TRUST FOR HEIRS	✗	✗	✗	✓
ALLOWS MAKER TO PRE-TEST DURING LIFETIME	✗	✗	✗	✓

* Applies to married couples. Tax savings (if any) determined by net worth and unified credit in any given tax year.

** Refers to Conservatorship.

HOW DO I CREATE A REVOCABLE LIVING TRUST?

JUST ASK YOURSELF TWO SIMPLE QUESTIONS

- 1** To whom do I want to leave my wealth and assets when I die?
- 2** Who do I want to manage my wealth and assets if I become incapacitated, or distribute my assets in the event of my death?

WE WILL DO THE REST

The Revocable Living Trust is the strongest estate planning option for you and your loved ones. Your financial security and that of your family depends on your decision to complete your Estate Planning Portfolio today.



REVOCABLE LIVING TRUST PORTFOLIO

As you have discovered, the revocable living trust is the finest estate planning option available today. With your portfolio completed, you and your family will obtain the peace and security that comes from knowing you have planned for the future.

No matter what may happen, your estate will be managed the way you want it to be, by the person you want to manage it, with no unnecessary cost or delays.



WHAT YOU CAN EXPECT WHEN FORMING A REVOCABLE LIVING TRUST WITH ANDERSON

Once you decide that a living trust is the right option for you, we ask that you complete a questionnaire to tell us a little about yourself and your situation. After we receive your completed living trust questionnaire, the attorney's paralegal will contact you to schedule a teleconference to discuss your estate plan.

During the teleconference, your attorney will ask questions regarding how your estate will be distributed to your heirs, who will control this distribution, if you want to compensate your successor trustee, etc. You have the ability to customize your estate plan many different ways. At Anderson we believe there is no one-size-fits-all approach to an estate plan.



Once you have received your living trust documents, it is important to execute your documents as soon as possible, meaning you must sign and have your trust notarized to make it legal. We will assist you with funding your trust and can prepare any amendments you need if something changes. Anderson can also deed your personal residence into your living trust so that all of your assets are owned in one place. Once these steps have been completed, you will not need any more intervention from our legal team – you have full control of your trust and after your passing or incapacitation, your trustee handles the distribution of your assets. We will still be here to assist you with questions or changes that need to be made.



YOUR PORTFOLIO INCLUDES ALL THE FOLLOWING LEGAL

Revocable Living Trust - Avoids probate, conservatorship, and minimizes estate taxes.

Schedule of Gifts - Allows you the flexibility to gift assets over the years.

Declaration of Intent - Clearly states your intent to transfer all of your assets into the trust. Avoids the necessity of recording each of your assets you intend to transfer into your Living Trust.

Certification of Trust - Condensed version of your Living Trust which verifies the trust's existence and explains the powers given to Trustees. Thus, you avoid revealing any information about your Living Trust provisions or assets to unwelcome eyes.

Pour-Over Will - Ensures that any assets inadvertently left out of your Living Trust will become part of your Living Trust upon your death.

Durable Financial Power of Attorney - If you are incapacitated, this document gives another person full legal authority to manage your finances for all assets not owned by your Living Trust.

Durable Medical Power of Attorney - If you are incapacitated, this document gives someone else the authority to make health care decisions on your behalf.

Directive to physicians (Living Will) - Establishes your desires regarding the use of life support systems and instructs everyone that you wish to be permitted to die with dignity rather than simply have your life prolonged artificially.

DOCUMENTS FOR YOUR PROTECTION AND SECURITY

Community Property Agreement (For married couples who are residents of a community property state.) - Converts or transfers ownership of your jointly held or separate property to community property unless specifically designated as separate property of husband or wife. Classification of community property may provide substantial tax savings upon the death of the first spouse.

Final Instructions - Information necessary for your loved ones to handle your affairs upon your incapacity or death.

Funding Package / Service - Assistance in retitling your assets to your Living Trust.

Estate Planning Portfolio Summary - An explanation of your estate planning portfolio and all of the related documents.

Personal Data Forms - Provides the necessary information to assist your heirs and family.

Support Documents - Administrative documents to enhance your estate planning portfolio.

Trust Identification Card - Insures that newly acquired assets are properly titled to your Trust.



NEVADA
3225 MCLEOD DR.
LAS VEGAS, NV 89121

NEVADA - SUMMERLIN
1980 FESTIVAL PLAZA DR. STE. 550
LAS VEGAS, NV 89135

WASHINGTON
732 BROADWAY SUITE 201
TACOMA, WA 98402

CONTACT US
PHONE (800) 706-4741
WWW.ANDERSONADVISORS.COM

