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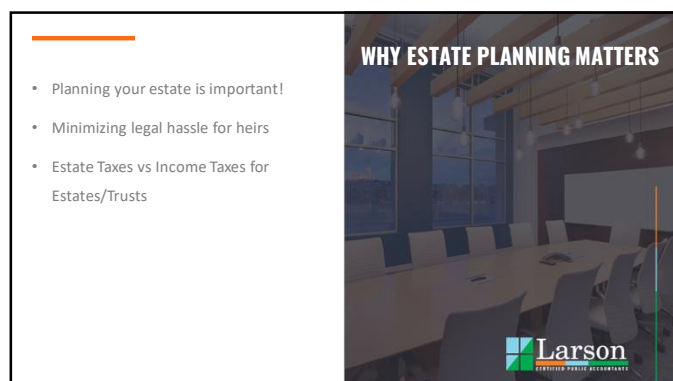
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5



6

- Agreement where an entity holds property for the benefit of someone
- Grantor, trustee, beneficiary
- "Legal Ghost"

WHAT IS A TRUST?

7

WHAT IS PROBATE?

8

- Probate is the legal process for settling estates (with or without a will)
- Common issues: delays, expenses, public scrutiny
- Trusts are the mechanism of placing someone, besides the court, in charge

WHAT IS PROBATE?

9

THE REAL COSTS OF PROBATE: TIME, MONEY, & STRESS

10

THE REAL COSTS OF PROBATE

TIME

Average length of the probate process:

- 4-5 Months Average
- Could take several years

MONEY

Probate fees and legal expenses:

- Probate isn't necessarily expensive, but litigation could be

STRESS

Impact of families:

- Delays
- Emotional strain

11

KEY BENEFITS OF A TRUST

12



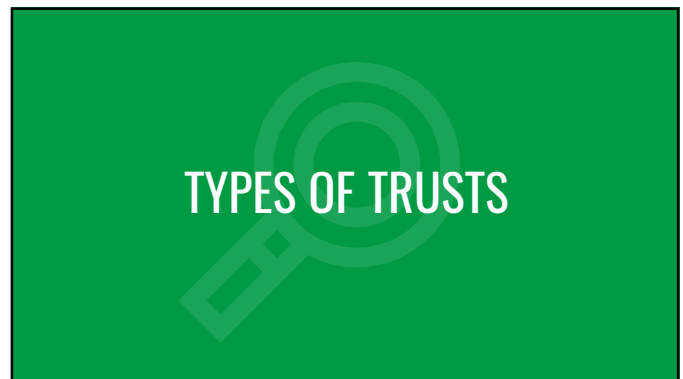
KEY BENEFITS

FLEXIBILITY & CONTROL

- Address unique family situations (minor children, special needs)
- Dictating terms and timing for distributions
- Plan for contingencies like remarriage or unforeseen changes
- Bypass Probate
- Facilitate Administration of Estate
- Potentially Save Estate Tax

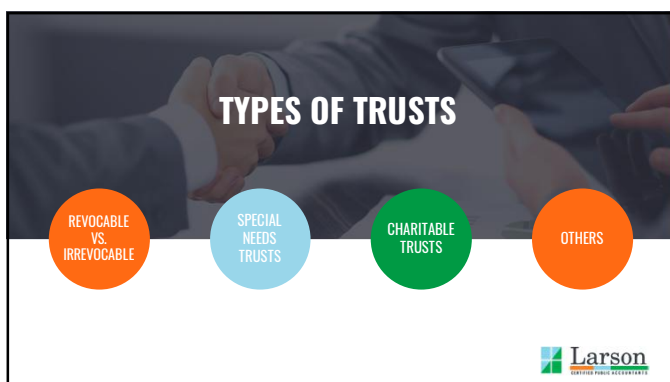
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TYPES OF TRUSTS

14

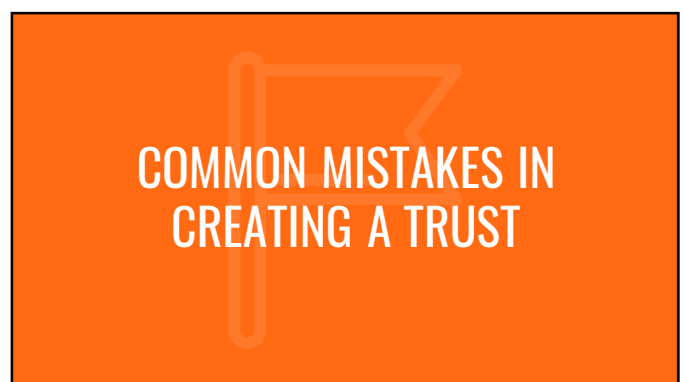


TYPES OF TRUSTS

- REVOCABLE VS. IRREVOCABLE
- SPECIAL NEEDS TRUSTS
- CHARITABLE TRUSTS
- OTHERS

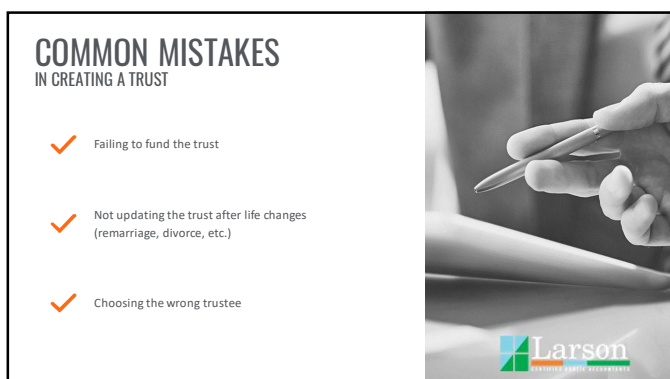
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COMMON MISTAKES IN CREATING A TRUST

16

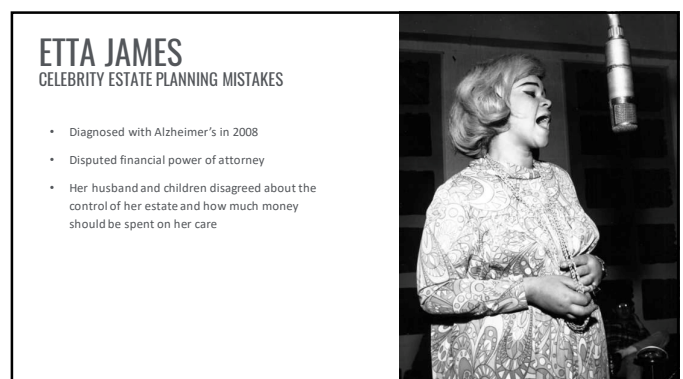


COMMON MISTAKES IN CREATING A TRUST

- ✓ Failing to fund the trust
- ✓ Not updating the trust after life changes (remarriage, divorce, etc.)
- ✓ Choosing the wrong trustee

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ETTA JAMES

CELEBRITY ESTATE PLANNING MISTAKES

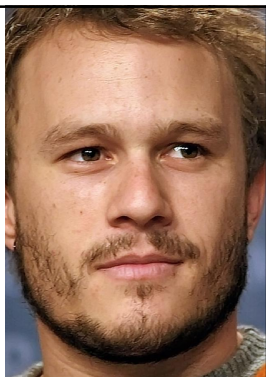
- Diagnosed with Alzheimer's in 2008
- Disputed financial power of attorney
- Her husband and children disagreed about the control of her estate and how much money should be spent on her care

18

HEATH LEDGER

CELEBRITY ESTATE PLANNING MISTAKES

- Didn't update his documents upon birth of his daughter Matilda
- Will left his estate to his parents and siblings
- Died unexpectedly
- Long-term partner didn't inherit, but his parents and siblings disclaimed their inheritance to allow his daughter to inherit



19

MICHAEL JACKSON

CELEBRITY ESTATE PLANNING MISTAKES

- Had a trust, but didn't fully fund it during his lifetime
- Assets remained in his name and estate had to go through public probate process to transfer property



20

WHITNEY HOUSTON

CELEBRITY ESTATE PLANNING MISTAKES

- Provided for daughter to receive 10% at age 18 and the balance of her estate upon reaching age 21
- Considering the size of her estate, an outright distribution at age 21 is not advisable



21

COMMON QUESTIONS

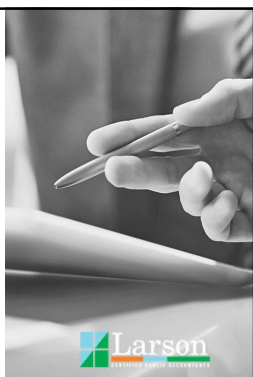


22

COMMON QUESTIONS

ABOUT TRUSTS AND ESTATES

- ✓ Do I need an attorney to set up a trust?
- ✓ How much does it cost to set up a trust?
- ✓ What if I change my mind about my trustee?



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TRUSTS AND ESTATES

23

HOW TO SET UP A TRUST



24

How to Set Up a Trust

- 1 Consult with estate planning professionals (attorneys, financial advisors and accountants)
- 2 Identify assets and beneficiaries
- 3 Draft and execute the trust documents (including a will)
- 4 Fund the trust (transferring assets)

25

SIDE NOTES

26

SIDE NOTES

- ✓ Set up in basis rules, applies with or without a trust
- ✓ Lifetime gifts vs. inheritance
- ✓ Appraisal needed for real estate
- ✓ Market value statement for investments
- ✓ Is inheritance taxable? (IRA's etc?)

27

SIDE NOTES (continued)

- ✓ IRA Beneficiaries (not the trust)
- ✓ Trust Tax Brackets
- ✓ Mom and Dad Usually Pick the Right Successor Trustee

28

WHAT'S NEXT?

29

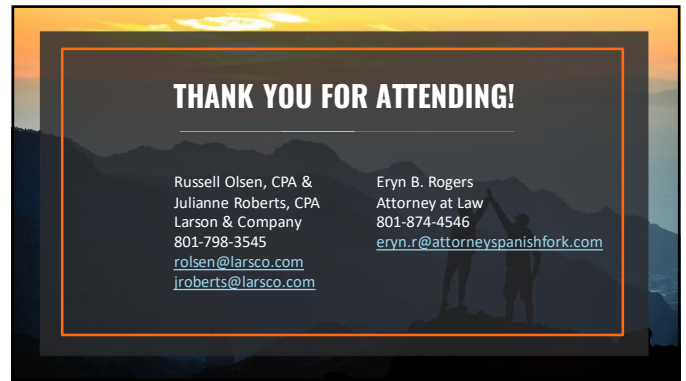
WHAT'S NEXT?

- Schedule a consultation with an estate planning professional
- Identify your assets and estate planning goals
- Draft and sign your trust
- Fund the trust

30



31



32