

# TRUST & ESTATE PLANNING NEWS



LAW OFFICE OF JAMES F. ROBERTS  
& ASSOCIATES, APC  
ESTATE PLANNING YOU CAN TRUST

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## What Do High Divorce Rates Mean To You?



California has a reputation for having an astonishingly high divorce rate among its residents (it is said to be over 50%) and in Orange County, specifically, the divorce rate is said to be even higher! You may be wondering why we are sharing this information with you in an Estate Planning newsletter. While most of our clients are in stable, long-term marriages, we have found that many of their children are not as fortunate in their marriages and that divorce is not uncommon among the next generation. In light of the instability of so many marriages, many of our clients are

fearful – rightfully so – that their hard earned assets may be lost by their children if their children go through a divorce. This is certainly a risk you run when your trust provides for an *outright distribution* to your child (which most trusts do). So what’s solution?

If your trust currently provides that your assets will be distributed *outright* to your children, your trust may be modified so that your child’s inheritance will be held *in trust* for their lifetime benefit. With an outright distribution, your child’s inheritance may be jeopardized by divorce, bankruptcy or other creditors because it’s been given *to them directly*. On the other hand, if you provide that your child’s inheritance is to be held in a trust *for their lifetime benefit*, your child may have full control over the assets you’ve left them, but without the risks of outright ownership. Leaving your child’s inheritance in a lifetime protection trust, or a “Beneficiary Controlled Trust” as we sometimes call it, protects the inheritance from spouses, creditors and other predators.

*With an outright distribution, your child’s inheritance may be jeopardized by divorce, bankruptcy or other creditors...*

If protecting your child’s inheritance from divorce is a concern for you, or if you are not sure whether your living trust contains these special protective provisions, please contact our office at (714) 282-7488 to discuss whether this is an appropriate planning strategy for you and your family.

## Meet Our Family

Many of you are already acquainted with the attorneys at our firm. We’d like you to meet the rest of our team (and their babies!) From left to right: Shauna Anderson (Associate Attorney), James Roberts (Founder/Attorney), Holly Nabiey (Associate Attorney), Charla Swoveland (Legal Assistant), Diane Roberts (Legal Assistant), Shannon Webb (Office Manager), Tamara Anderson (Drafting Specialist), Jenny Thuyaki (Drafting Specialist), and Amanda Romero (Receptionist)





## Sign Up For Email Newsletters

James F. Roberts & Associates will soon be sending our newsletters by email! Call our office to confirm that your email address is on our list. This will allow you to stay up to date on estate planning news and changes in the law that may affect you – and help us save trees!

## Humor: Hearing Better Now

An elderly man was having hearing problems and went to see a specialist. The doctor fitted him with some hearing aids that brought his hearing back to full strength. After a few weeks the man came back to make sure the new equipment was working properly, which it was.



The hearing specialist said, "It all seems perfect. Your family should be delighted you can hear everything now."

"Oh no," the man responded. "I haven't told any of them. I just sit quietly, listening carefully. I've changed my Will four times."

## How Well Do You Know Your Trust?



Many of our clients **believe** they know who the Beneficiaries and Trustees of their trust are. However, in reviewing our clients' trusts regularly, it is apparent to us that many of our clients are **surprised** at the names of the individuals they have in their trust as Trustees or Beneficiaries. This is understandable, as over the years, life happens. The age, marital status or relationship with your beneficiaries may have changed. Perhaps your designated Trustee has experienced a change in health condition, is much older in age, or you no longer have a close relationship with that individual? Perhaps

your children are now old enough to be Trustee? The Trustee is the person who is named to administer your estate during your incapacity and after your death – it is critical that you've designated the right individual(s). **You won't know for certain until your trust is reviewed.**

*The Trustee is the person who is named to administer your estate during your incapacity and after your death – it is critical that you've designated the right individual(s).*

Also, your trust should be reviewed to determine if it is an AB trust and whether that is still appropriate for your circumstances. An AB trust was commonly used in older trusts because of the tax laws that were in effect in earlier years. An AB trust involves the following:

(1) the assets in your family trust **must** be divided into two separate trusts, Trust A and Trust B, at the death of one spouse; (2) a separate tax return must be filed each year for Trust B; and (3) there are restrictions on the surviving spouse's control over the Trust B assets. For some couples, an AB trust is still appropriate. For others, it may not be.

**We are strongly encouraging you** to either review your trust on your own or, if your trust has not been reviewed by our office in the past three years, schedule a complementary review of your estate plan with one of our attorneys by calling our office today at (714) 282-7488.

## Contest Winner



The winner of our December newsletter's contest is <<name>>! Congratulations on your Dinner and a Movie prize and thank you for participating in our contest. In this month's newsletter, we are giving away as a prize a \$250 gift certificate to either Burke Williams Spa or The Home Depot (the winner may choose)! To win, be the 50th person to complete the "Contact Us" form on our website. To enter, go to [www.webuildyourtrust.com](http://www.webuildyourtrust.com), click on "Contact" on the upper tab, complete the "Contact Us" form and press "SEND". Be sure to include your name and email address! **The contest starts NOW** and the winner will be announced in our next newsletter!

## Sharing Our Resources

The attorneys at James F. Roberts & Associates regularly network with many individuals of in different professions. In this newsletter, we'd like to highlight some of the people that we love to work with and refer to others because of their reliability and great service. Each of them has our highest and personal recommendation!

Dr. Anastacia Lander	Chiropractor	(714) 931-0475
Amber Litvin	Real Estate Agent	(562) 458-1249
Cody Dimak	Chiropractor	(714) 979-3672
Marcy Hogan	Greeting Cards Specialist	(714) 797-1213
Robert Mack	Real Estate Agent	(949) 209-7309
Ryan Dwight	Home/Auto/Life Insurance Agent	(949) 322-7308
Sean Kelley	Loan Officer	(714) 606-8324
Timothy Christensen	Loan Officer	(714) 803-2433



## Warning: Beware of Scammers!



It has come to our attention that there are companies out there that send seemingly official documents to our clients stating that a copy of your latest recorded deed may be mailed to you for \$89. Please be advised that this is **not** being sent to you from our law firm or from a government agency. It is a private company attempting to collect money in exchange for mailing you a copy of your deed, which you may do on your own directly through the County Recorder's Office for a fraction of the cost. Don't fall for this scam! Beware!

## Three Companies – One Goal

Tax season is in full force and our fellow tax planning firm, *Grandfield Tax & Business*



**WEALTH • TAX • ESTATE**  
PLANNING YOU CAN TRUST

*Services*, has been busy helping clients with their tax planning needs before the April 15th deadline arrives. If you are in need of tax-related services, be sure to contact the Grandfield's at (714) 921-2790.

Our colleagues at Chatterton & Associates, a financial planning firm, are also busy during this season as they proactively help clients evaluate their income, retirement accounts and investments and strategize ways in efforts to minimize their clients' tax liability. For a free consultation with one of their advisors, contact (714) 520-2050.

Together, and under one roof, our three firms offer comprehensive tax, financial, and estate planning services. Most importantly, the three companies share the same goal, that is, honest and quality service. If you would like a free consultation with either the tax planning or financial planning firm, contact our office at (714) 282-7488 so we could schedule the appointment for you.

## Winding Down Your Trust – What's Next?

On our website is a pamphlet entitled Trust Administration. In that pamphlet, we provide a general overview of some steps involved in winding down a trust when the Trustor (the maker of the trust) passes away. There are certain legal requirements and deadlines which are important for you and your loved ones to be aware of. To learn more, download the pamphlet on our website and be sure to attend our upcoming seminars where we often discuss the trust administration process. Also, if your spouse has passed away and you had set up your joint trust through our office, contact us as soon as possible (if you haven't already) as there are important steps to follow even when only spouse has passed away.



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## “Famous Quotes” Game

Match the quotes to their owner! Visit our website for the answers!

“I have not failed. I've just found 10,000 ways that won't work.”

*Mahatma Gandhi*

“Live as if you were to die tomorrow. Learn as if you were to live forever.”

*Thomas A. Edison*

“Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do.”

*Eleanor Roosevelt*

“When angry, count ten, before you speak; if very angry, a hundred.”

*Thomas Jefferson*

“Do one thing every day that scares you.”

*Mark Twain*

## Sudoku Puzzle

2				3			1	7
	1	7	2			5	3	
5		9					4	
8		4	9	7				
		6	8		1	9		
				6	3	8		5
	8					7		6
	6	5			2	1	9	
7	9			5				2

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Fill in the blank squares so that each row, each column and each 3-by-3 block contain all of the digits 1 thru 9.

If you use logic you can solve the puzzle without guesswork.

Need a little help? The hints page shows a logical order to solve the puzzle. Use it to identify the next square you should solve. Or use the answers page if you really get stuck.

## Recipe Corner “Strawberry Shortcake”

### Ingredients:

- 1 prepared angel food cake
- 1 (8-ounce) container Cool Whip or homemade whipped cream
- 1 pint strawberries

### Instructions:

- Slice the cake in half and spread a layer of Cool Whip or whipped cream onto the cake layer.
- Top it with a pint of sliced strawberries and then place the top half of cake on top.
- ‘Frost’ the cake with Cool Whip or whipped cream and top with more strawberries
- Freeze until ready to serve.



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## Jim’s Memo: A Lesson of a Fence

Our journey through life consists of many lessons. I want to share with you a lesson about a fence (or maybe a father).

In 1951, my parents purchased their first and only home in Whittier for under \$10,000. This was a new housing development that had no fences. My father, who was in the construction trade, coordinated 10 of his 11 closest neighbors to invest in and build a cinder block fence. The 10 neighbors and my father built their fences with proper foundations and steel reinforcements inside the cinder blocks.

*In life there will be earthquakes, both literally and figuratively*

Ironically, the one neighbor that didn’t join the neighborhood project was my father’s immediate adjacent neighbor that I will refer to as Mr. W. Apparently Mr. W. thought that my father’s method was too expensive and that he could get it done cheaper. After all the other fences were done, Mr. W. hired someone to erect a cinder block fence on his own property that on the outside looked identical to the his neighbors’ fences.

In life there will be earthquakes, both literally and figuratively. In 1986, a 6.0 magnitude earthquake hit Whittier. Mr. W’s fence nearly collapsed and many of the cinder blocks were significantly displaced. My father’s fence stands today as structurally sound as it did 65 years ago when he first built it.

I am now in the process of selling my parent’s home, and the buyer has asked that I repair part of the fence. I can’t because that is Mr. W’s fence that is only on Mr. W’s property.

Looks can be deceiving. For years, the two fences stood near one another and to the untrained eye they looked the same. The difference was not the external structure but the internal integrity.

I hope that my father’s craftsmanship has served me well in life. The integrity built within us allows us to withstand the earthquakes of life. I hope that this law firm will continue to provide our clients with estate plans that will stand strong during their earthquakes. Thank you, Dad, for that lesson.