



THE PERFECT STORM



Everybody's got plans...until they get hit.

— Mike Tyson, boxer

STORM ONE: Massive legal complexities are upon us.

Your estate plan involves innumerable areas of the law. State estate tax, federal estate tax, income tax, gift tax, generation-skipping transfer tax, property law, trust law, probate law, family law and more are considerations in almost every estate plan. Compounding this is an evolution in investment vehicles.

There are private equity investments, REIT's, partnerships, hedge funds, ever-changing insurance and annuity products, derivatives, Roth and other retirement accounts. Each of these has different titling requirements. The consequences of these titling issues are significant, yet it is a commonly overlooked area in estate planning.

STORM TWO: Dynamic, evolving family arrangements exist.

Norman Rockwell's paintings of family life today would depict very different scenes from those he did decades ago. Today's family reunion might involve multiple current or former spouses. Children may be from different unions. Some of those unions might have entailed legal marriages; some might be from unmarried unions. Siblings might be from different generations. Grandparents are living longer, healthier lives.

Adoptions are more common, as are multiple births and more elderly parents. Couples are not necessarily of opposite genders. Children mature at a later age, if at all. Children may not feel close to stepparents and/or half-siblings. It is not unusual for some to feel entitled to an inheritance and then to feel resentful or angry at the deferral of some or all of it. Mental or emotional illness of one sort or another has become a common diagnosis.

STORM THREE: Love of litigation abounds.

In the past, filing a lawsuit was a last resort. Today it is often a first resort. The courtroom becomes the forum for settling perceived wrongs of years ago. It is also possible for fiduciaries to make honest mistakes which allow beneficiaries the opportunity to pounce and punish. Thankfully, because judges are gaining experience with family disputes, courts often suggest mediation over expensive, formal litigation.

The convergence of these three storms--the tremendous complexity of the law, evolving family relationships, and a passion to sue--has made litigation the most explosive growth area in estate planning. The storm may be closer than you think. However, protection from this perfect storm can be gained by thoughtful planning and by thoroughly reviewing and maintaining how your assets are titled.



Paralegal Erin Hanton has earned her black belt in Taekwondo. Her son is also working toward that goal. Erin is now responsible for collecting our accounts receivable.