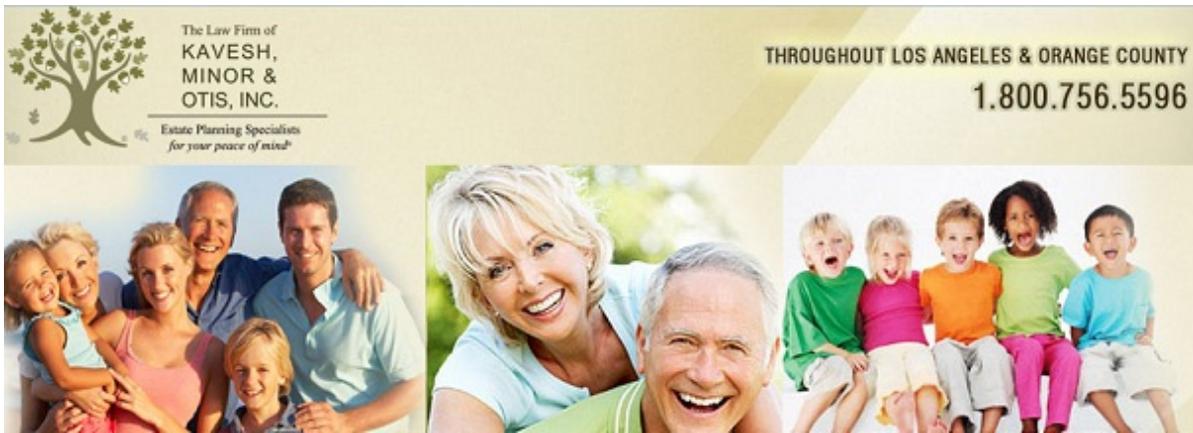


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July 2017 Edition

# ADD MORE PROTECTION TO YOUR LIVING TRUST PLAN

By

Attorney, Philip Kavesh

## In This Newsletter...

[Living Trust Seminar  
Schedule](#)

[Office Locations](#)

[Contact Information](#)

[Second Article: Digital  
Assets Raise Estate  
Planning Questions](#)

[Recipe of the Month](#)

[Quote of the Month](#)

## Living Trust Seminar

**For the public and also  
for our existing clients  
who want to bring  
family or friends!**

**Saturday,  
July 8**

Torrance Marriott Hotel  
9:00 - 11:30 am  
3635 Fashion Way

**REGISTER**

**Wednesday,  
July 12**

Torrance Marriott Hotel  
9:30 - 11:30 am  
3635 Fashion Way

**REGISTER**

**Tuesday,  
July 18**

Torrance Marriott Hotel  
6:30 - 8:30 pm  
3635 Fashion Way

**REGISTER**

**Thursday,  
July 20**

Torrance Marriott Hotel  
9:30 - 11:30 am  
3635 Fashion Way

If we created your Living Trust plan after September 2002, or you updated it with us since then, you likely have a very special protective feature for your loved ones known as the "Personal Asset Trust sm" (or "PAT").

This PAT is intended for those of your beneficiaries who are capable of handling money and immediately receiving their inheritance when the time comes. Instead of placing assets directly into their names, each beneficiary receives your assets in the "protective wrapper" of a PAT. Here's how it works.

Each beneficiary may be the Trustee in charge of his or her own Personal Asset Trust sm, can make investment decisions, access and use PAT assets and even determine who will get the assets at his or her death. These are virtually the same rights the beneficiary would have had if the assets were distributed directly to him or her. However, by holding the assets in the PAT, they are better insulated against the beneficiary's spouse, divorce claims, creditors, lawsuits, the loss of government benefits and additional estate taxes when the beneficiary dies. If the beneficiary is ever threatened with a third party attack, the beneficiary can further increase the protection level by bringing in a "personal bodyguard" in the form of an independent Co-Trustee or a "Trust Protector".

**It's Time to Upgrade the PAT's  
"Protective Shields" for Your  
Beneficiaries**

**REGISTER** 

**Tuesday,  
July 25**  
Torrance Main Office  
9:30 - 11:30 am  
990 West 190th Street  
Suite 500

**REGISTER** 

## Office Locations

**For your convenience,  
we have multiple office  
locations throughout  
Southern California.**

### **Main Office:**

#### **Torrance Office**

990 W. 190th St.  
Suite 500  
Torrance, CA 90502

### **Other Local Offices:**

#### **Pasadena Office**

790 E. Colorado Blvd.  
9th Floor  
Pasadena, CA 91101

#### **Woodland Hills Office**

5850 Canoga Ave.  
4th Floor  
Woodland Hills, CA 91367

#### **Orange Office**

333 City Drive West  
17th Floor  
Orange, CA 92868

#### **Newport Beach Office**

5000 Birch St.  
Suite 8000  
Newport Beach, CA 92660

## Contact Us

**You may contact us to  
make an appointment  
for your initial  
consultation, to  
schedule a review of  
your current estate  
plan, or to make a  
referral.**



**1-800-756-5596**  
**[www.kaveshlaw.com](http://www.kaveshlaw.com)**  
**[info@kaveshlaw.com](mailto:info@kaveshlaw.com)**

## OUR WEBSITE

As time has gone by, court decisions have attempted to pierce trusts' protective shields. Also, trust technology has advanced. Therefore, we are now recommending that all of our clients upgrade their beneficiaries' "PATs" to include the following provisions:

- Permit the Trustee of your Living Trust to defer the establishment and funding of the PAT, if the beneficiary is immediately engaged in a divorce, bankruptcy or lawsuit. This change alone may significantly increase the level of protection against a third party grabbing your beneficiary's inheritance.
- Make it easier for the beneficiary to reduce the taxes on income of the PAT. (Previously, several actions had to be taken by the trustee and beneficiary, which might not be done timely; now, this significant income tax benefit will happen automatically.)
- Allow a "step-up in capital gain basis" of PAT assets (particularly real estate) when the beneficiary dies, so his or her children or other successor beneficiaries may save considerable income taxes when PAT assets are later sold.
- Other technical provisions enhancing the PAT's level of protection of inherited assets and allowing certain changes to be made, when necessary after you're gone, to reflect the changed needs and circumstances of your beneficiaries without having to go to court.

These are the first significant changes made to the PAT in almost 10 years.

## **It's Also Time to Better Protect Yourself When You Become Disabled or Incapacitated**

Your Durable Power of Attorney, another document that you received as part of your Living Trust plan, covers certain personal financial matters not handled by your Trust alone - - in particular, entering contracts on your behalf when you're disabled or incapacitated, which is likely to happen in your later years. Courts have become increasingly unwilling to allow actions to be taken under this Power of Attorney, without a judge's consent, unless the document contains specific powers to do so. Therefore we have added a number of provisions that may significantly enhance your protection and quality of life, including the authority:

- To hire and pay for an individual to provide companionship for you (which may be important even before you need help with basic living activities and daily medical attention).
- Once you do need greater personal and medical care, to hire and pay for a professional Care Manager, to help determine the best level of care for you and implement it properly (whether such care is in your home, or at adult day care, an assisted living facility or a nursing home).



**Learn more about important estate planning issues by visiting our website.**

[kaveshlaw.com](http://kaveshlaw.com)

**Also, visit our blog to keep up on the latest developments in estate planning.**

[blog.kaveshlaw.com](http://blog.kaveshlaw.com)

- If your family or friends participate in your care, to enter a Caregiver Agreement so they may be properly compensated for their time away from their jobs and families.
- And other important features that can help protect you in your later years against elder abuse!

These are the first significant changes we've made to the Power of Attorney in almost 20 years.

## **Watch Out for Our Coming Information Package**

If you're a client, then later this month you'll receive by regular mail an envelope marked "Important Legal Update". Please open and take a look at it right away. You'll get more information explaining the recommended changes and be given a limited time opportunity to upgrade your estate plan at a very special client discount.

If you're not a client of ours, and not currently represented by other counsel, give us a call and schedule a free estate plan review meeting, where we can go over how and to what extent you should upgrade your plan.

Remember, your Living Trust plan is a form of "insurance" for you and your loved ones. Be sure both you and they are properly protected, to the maximum extent possible, by getting these important Trust and Power of Attorney upgrades.

## **Digital Assets Raise Estate Planning Questions**

More and more, we are conducting our business on the Internet, whether that's online banking, shopping at Amazon and other sites, uploading documents and files to the "cloud," posting videos on YouTube, or communicating with high school classmates via Facebook.

So, what happens to all of our accounts and files when we become incapacitated or pass away? Will our spouses and children have access to them? Where will they find our usernames and passwords? Who can take down our Facebook and LinkedIn pages, or would we prefer that they continue for posterity? And if we've saved photos, videos and other files on the cloud, who should have access to them and how long should they

stay out there?

These are questions almost everyone needs to think about today and they often raise difficult security and legal issues. For example, if you become incapacitated and your daughter starts handling your finances online, is she doing so legally? Presumably you've given her your assent to do so, but the bank may not have a durable power of attorney on file with this authorization. As far as the bank knows, you're still the person logging in and paying your bills or shifting your investments. Is this fraud on the bank? Does anyone care as long as your daughter is acting in your best interest?

And what if you pass away and your child, rather than notifying the financial institutions, continues to pay bills online and make distributions to family members? This is clearly contrary to law, but it could be much more convenient than going through the probate process. Is it an instance of no harm, no foul?

States are beginning to grapple with these issues. A few states have enacted laws giving executors access to online accounts. In addition, every Internet provider has its own rules about access to user accounts, and generally users have agreed to these rules when they first enrolled, whether they actually read the service agreement or not. In April 2013, Google introduced the concept of an Inactive Account Manager who Google users can name to receive notice when a Google user has not accessed her account for a long period of time. The Inactive Account Manager has access to Google accounts designated by the user and can take whatever action is necessary to access them or shut them down.

The legalities aside, here are some steps we can all take to better manage our digital assets:

- Inventory your digital estate. Make a list of all of your online accounts, including e-mail, financial accounts, Facebook, Mint, and anywhere else you conduct business online. Include your username and password for each account. Also, include access information for your digital devices, including smartphones and computers.
- Store the list in a safe place. There are a number of options for where you and your representatives can store the list, each with its own problems. If you have the list on paper,

someone who you don't trust might discover it and gain access. You can keep it in a safe deposit box or give it to your lawyer to hold in her files. In each case, your representative needs to know where it is and how to gain access. If you keep the list online, make sure you do so securely. You can upload the file to Dropbox, giving your representative access, or use one of a number of new services for this purpose. These include: Legacy Locker, Asset Lock, Cirrus Legacy, and Secure Safe.

- Give access to your personal representatives. Once you have your inventory, you will need to provide it to the people who will step in if you become incapacitated or pass away, or let them know how to find it when and if they need to do so. Make sure that they save the information as securely as you have yourself. You might want to simply give them access to one of the services listed above with a username and password that they can remember.
- Authorizing language. Make sure the agent under your durable power of attorney and the personal representative named in your will have authority to deal with your online accounts. The Web site [DigitalEstateResource.com](http://DigitalEstateResource.com) provides sample language.
- Update the inventory. As you open new accounts and services, purchase new devices, and change usernames and passwords, you will have to update your list so that it remains current.

Unfortunately, as the Internet makes our lives easier and quicker, it also makes them more complicated. We all need to take steps to make sure that our loved ones have the necessary access when access becomes necessary.

Article Source : [ElderLawAnswers.com](http://ElderLawAnswers.com)

## Recipe of the Month

### Zesty Lemon Loaf

*Prep Time: 20m - Cook Time: 50m - Ready In 1h 40m  
20 Servings*



### Ingredients

- 3 cups all - purpose flour
- 4 eggs
- 2 teaspoons baking powder
- 2 tablespoons brandy - based orange liqueur
- 1/2 teaspoon ground ginger
- 3 tablespoons grated lemon zest
- 1/2 cup fresh lemon juice
- 1/4 teaspoon salt
- 1 1/4 cups buttermilk
- 1 cup butter
- 2 cups sugar
- 3/4 cup white sugar

### Directions

1. Preheat oven to 350 degrees F (175 degrees C). Lightly grease 2 loaf pans.
2. Sift together the flour, baking powder, ground ginger, and salt in a bowl; set aside. Cream together the butter and 2 cups sugar in a separate large bowl; beat in the eggs. Stir in the lemon zest and orange liqueur. Add the buttermilk. Add the flour mixture while whisking gently. Pour the mixture into the prepared loaf pans.
3. Bake in the preheated ovens until a toothpick or small knife inserted in the crown comes out clean, about 50 minutes. Remove from pans and move to a cooling rack.
4. Whisk together the lemon juice and 3/4 cup sugar until the sugar dissolves. Gently drizzle the mixture over the hot loaves. Allow the loaves to cool completely before serving.

A recipe from [Allrecipes.com](http://Allrecipes.com)

## Thank You



Here is a very special to all of our clients who have referred family and friends, or forwarded our newsletter to them! If you are part of a group or club and you would be interested in having us speak to the members on important estate planning topics of interest, please contact us at [info@kaveshlaw.com](mailto:info@kaveshlaw.com).

## Quote of the Month

***“ My mission in life is not to merely survive, but to thrive; and to do so with some passion, some compassion, some humor, and some style. ”***

## Maya Angelou

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