

April 2, 2009

NEWSLETTER

This is a brief newsletter to alert you to a couple of issues that my clients are addressing with me at the current time and to begin the process of communicating to you my office relocation some time in May, 2009.

Office Relocation

My assistant of sixteen (16) years, Donna Batchelder, and I are moving to a small office in Winter Park on May 18, 2009. The new address will be 312 North Park Avenue, Suite 2-A, Winter Park, Florida 32789. I have spent the last eighteen (18) years in my current office in Altamonte Springs. The new location is my attempt to be closer to my home and be centrally located for my clients. I apologize to those of you in the Longwood/Lake Mary area (including Donna) for the longer, perhaps more congested drive. My telephone number, fax number and email address will remain the same.

Client Issues

I want to mention a couple of issues affecting my clients that you should consider. Since I am planning on sending newsletters on a periodic basis, I will only mention a couple of issues and try to keep these newsletters brief in the hope that you will actually read them.

Creditor Protection

With so many people and companies struggling financially at the current time, the biggest issue for many clients is to control their potential financial damage, specifically to minimize the effect of creditors' claims. Your assets and business operations must be properly structured by using business entities with a limitation of your personal liability, using appropriate insurance, making sure your assets are owned properly and by avoiding personal guarantees of debts, leases and other contracts. You should also be aware that society is becoming much more litigious, because so many potential plaintiffs are financially desperate. With that in mind, you may need to use multiple business entities, one or more of which may be located in other jurisdictions that discourage such assets from being reached by your creditors. This is currently a very important

issue for many clients, and I notice that more of my day is being occupied with asset protection planning.

Estate Tax Planning

An issue becoming apparent to higher wealth estate planning clients (more than \$7 Million) is that they cannot avoid estate tax reduction planning. The current law provides that in 2010 estate taxes would be repealed for one (1) year. Many of these clients have used this information to rationalize not addressing their estate tax planning. That is, they have put off major estate planning in the hopes that the estate taxes would be repealed forever. The law never repealed estate taxes forever. In fact, under current law, in 2011 only \$1 Million can pass estate tax free. My personal opinion is that any client with an estate greater than \$7 Million needs to do aggressive estate tax reduction planning if they do not want to pay the life insurance premiums associated with funding those estate taxes. With the current state of the economy, these clients need to start their estate tax reduction projects. Many of the techniques for saving millions of dollars of estate taxes in the future can be extremely effective right now for two (2) reasons:

1. Assets have probably dropped in value and those lower values can be locked in which would avoid estate taxes on the future growth; and
2. Tax reduction techniques can take advantage of the lower interest rates currently accepted by the Internal Revenue Service.

Other than these two (2) issues which I wanted to specifically point out, I will also mention clients are still setting up business entities, dissolving business entities, buying and selling businesses, doing basic probate and guardianship avoidance estate planning. These are all matters that may affect you.

Good luck with the current state of the economy. I will send another reminder about the relocation of my office as of May 18, 2009, and I will try to send out periodic newsletters to point out client issues. I will definitely attempt to communicate relevant new tax laws as they are enacted into law.