

CHARLES H. STARK, P. A.

ATTORNEY AT LAW

SUITE 2-A

312 NORTH PARK AVENUE

WINTER PARK, FLORIDA

32789

TELEPHONE (407) 788-0250

FACSIMILE (407) 788-7244

CHARLES H. STARK

E-MAIL CHSTARK@BELLSOUTH.NET

May 14, 2009

NEWSLETTER

This letter is sent to you to announce again that my new address is 312 North Park Avenue, Suite 2-A, Winter Park, Florida 32789.

My telephone number, fax number and email address all stay the same.

Those of you who forwarded your email address to my secretary, Donna Batchelder (dmbatch@bellsouth.net), should also be receiving this newsletter via email. Please provide Donna with your internet address if you have not already done so.

In order to encourage clients to become familiar with our new office, please schedule an appointment to visit and briefly review the status of your legal matters. You will not be charged for that appointment. I have asked Donna to contact the professionals receiving this newsletter to see if we can get on your schedule to come visit in exchange for a meal. I realize that these are acts of bribery, but I want all of you to become aware of the new office location.

CLIENT ISSUES

In the last newsletter I discussed the topics of (i) asset protection from future creditors, and (ii) the need to take advantage of lower values and lower IRS interest rates to implement estate tax reduction techniques today (before those two (2) variables increase). Several clients have come in and been referred from the professionals as a result of those comments.

Briefly, I wanted to explain one (1) of the techniques considered to reduce eventual estate taxes - a Qualified Personal Residence Trust ("QPRT"). A QPRT is a trust that can be created by a client to own his main home or a vacation home. It has two (2) types of beneficiaries. The client can be the trustee of the trust and would be a beneficiary of the trust for a term of years to be selected by the client. Upon the expiration of the term of years, the home can be rented back to the client, but the owner of the home would typically be the beneficiaries of the client's estate (usually children).

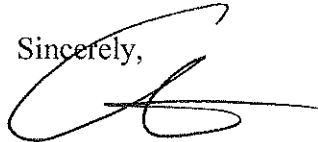
For a client with a large taxable estate who uses a QPRT for a valuable main home or vacation home, there can be significant future estate tax savings compared to the other choices of: (i) making a gift of the home at this time to the children and incurring a possible gift tax and substantial use of the estate tax exemption, or (ii) continuing to own the home, making it part of the client's estate upon death and then passing the home to the children at that time with either a costly estate tax or substantial use of the estate tax exemption.

For example, a wealthy client with a \$1,200,000 home can use a QPRT with today's lower home values and the lower IRS interest rate and would have hardly any gift or estate tax effect. On the other hand, a gift of the \$1,200,000 home would cause immediate transfer taxes of \$82,000 and would reduce the assets passing down to the children estate tax free by \$1 Million. Continuing to own the home until death would cause estate taxes of approximately \$540,000, and even more if the value of the home appreciates for the remainder of the client's lifetime.

The use of a QPRT can be a very valuable estate tax reduction technique. The issues of control and comfort when dealing with a client's home can be easily overcome by having the client serve as the trustee of the QPRT and allowing the client to lease the home back from the children.

There are still many other estate tax reduction techniques and estate planning matters to be addressed by clients, as well as asset protection techniques. Please feel free to contact me with any of these questions. I wish you success in the current, very challenging economic environment, and I look forward to seeing you at the new office location.

Sincerely,

A handwritten signature in black ink, appearing to be 'Charles H. Stark', written over the word 'Sincerely,'.

Charles H. Stark

CHS/db