

## Lessons to Spark New Year Estate Planning

Sure the holidays were a fun time for you to sit around talking about what happened on the latest episode of your favorite show or how granddaughter is doing in dance class. But they are also a great time to have the important—yet difficult—conversations about estate planning. What happens when Mom dies? Does anyone know where Dad kept his will? Did they ever transfer the investment accounts into their revocable living trust like they were supposed to?

These conversations are important. When proper estate planning isn't done, it's the family members left behind who pay the price, often with bitter, ugly, and costly probate court battles. This happens to families all across the country on a daily basis, from those of modest wealth to the very rich. Celebrity stories are a good way to get the conversation started. We see celebrities make the same mistakes that everyone else makes. Here are some stories

and how they highlight important lessons for you and your family.

**Patrick Swayze**—Tabloids recently reported that some of Swayze's family members believe his will was forged while the late *Dirty Dancing* star was hospitalized two months before he died. His will left everything to Swayze's widow and nothing to his mother or siblings. At this point, the will remains valid, despite the allegations of forgery and incompetency, because no lawsuit was ever filed to challenge it. Because it has been more than five years since Swayze died, on September 14, 2009, a court case is very unlikely.



**Stories to Spark New Year Estate Planning!**  
*Look inside for more details.*

### Estate Planning Resolutions: Make sure your estate plan is up to date!

#### Here are some worthy resolutions for 2015:

- 1. Resolve to make a Will** (or update your old Will). A 2013 study found that more than half of all Americans with minor children do not have a Will in place (Yahoo). Further, 41% of adults without minor children do not have a Will in place. If you don't currently have a Will, resolve to make a Will in 2015. If you have a Will, but have not reviewed it with your lawyer in more than 5 or 6 years, plan to do so in 2015.
- 2. Resolve to learn about long-term care planning options.** Long-term care, whether it is provided in the home, in an assisted living facility or in a nursing home, is expensive. A Genworth 2014 study of long-term care costs in North Carolina found the annual cost of such care to be between \$38,000 and \$82,125. If you are 60 years of age or older, resolve to educate yourself about long-term care issues and learn about the options that are available. Waiting too long can mean that some of those options could be lost to you.
- 3. Resolve to check your beneficiary designations.** Many people are under the mistaken belief that the distribution provisions of their Will or Trust will also control the distribution of their IRAs, 401Ks, life insurance, and annuities. This is generally not the case. The beneficiary designation form that it is on file with the financial company, insurance company, or your HR department will determine who receives these benefits at your death. Many a court battle has been waged by a former or current spouse, or children from a first or second marriage, about outdated beneficiary designations. Even if your situation is not likely to result in litigation, outdated beneficiary designations can mean the need to probate assets which would otherwise avoid probate or adverse income tax consequences for your beneficiaries. For more information on when to update your beneficiary designations, please contact our office at 919-443-3035.

#### Carolina Family Estate Planning

51 Kilmayne Dr., Suite 203  
Cary, NC 27511  
919-443-3035  
CarolinaFEP.com  
NC.willsandtrusts.com  
Facebook.com/carolinafep

#### Practice Areas:

- Wills & Living Trusts
- Asset Protection Trusts
- Long Term Care Planning
- Medicaid Planning & Qualification
- Veteran's Aid & Attendance Benefits
- Children's Safeguard Planning
- Probate & Estate Administration
- Trust Administration

This publication is intended to educate the general public about estate planning, elder law, asset protection and related issues. It is not intended to be legal or tax advice. The information in this newsletter may be freely copied and distributed as long as the newsletter is copied in its entirety.

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The Rolling Stones postponed their tour through Asia and Australia. Because of this delay, entities affiliated with the bank made a \$12.6 million insurance claim. The claim was denied, and this in turn led to multiple legal proceedings against various London insurance companies. The dispute was quickly settled after the insurance companies tried to obtain personal information from Scott's family members, including L'Wren's medical and treatment records, texts, and even Twitter and Facebook posts. Sir Mick took a beating in the media from Scott's family members who blamed him for the lawsuit.

**Lesson:** Insurance disputes after a loved one dies are not uncommon, especially when there is a controversy about who should be the beneficiary. Good estate and financial planning can help avoid these kinds of lawsuits, which can quickly grow expensive, bitter, and even public as The Rolling Stones learned.

**Lou Reed**—The crooner, who died on October 27, 2013, relied only on a will to distribute his \$30 million estate. This allowed the New York media to publish details about Reed's assets, income, and who received what. Most people with even a small fraction of that wealth prefer to avoid probate court, which is public, time-consuming, expensive, and much more prone to fighting.

**Lesson:** A revocable living trust, when used properly, can avoid probate court entirely, keeping the family's affairs private and away from the probate process.

**Paul Walker**—Walked died from a car crash at age 40. His father filed to open his estate in probate court, revealing that the late actor had a will, trust, and about \$25 million in assets. Walker signed his will in 2001, which was the same year that his first *Fast & Furious* movie was released and he became famous.

**Lesson:** While Walker is to be commended for doing his estate planning at a young age—highlighting how no one should wait until they are old

to do estate planning—he should not have gone twelve years without updating his documents. Wills and trusts usually need to be revised after life events, such as the birth of children, changes in the amount of money someone has, marriages, divorces, and more. Walker's final wishes at age 40 may have been different than what they were when he signed his will at age 28.



**Mickey Rooney**—The late child actor cast a national spotlight on the growing epidemic of elder abuse before he passed away at age 93. Because of exploitation by his wife's family members, Rooney died almost penniless. Still, this didn't stop his family from fighting in court. With no money to battle over, they instead fought about where he should be buried.

**Lesson:** It's not only wealthy estates that lead to family fights after someone dies. Many families spend most or all of an estates value paying lawyers to battle in probate court. The best way to prevent this from happening is with good estate planning.

*We hope these stories have helped you better understand the value of proper estate planning. If you have any questions or concerns, please contact our office at (919) 443-3035 or visit us at [www.carolinafep.com](http://www.carolinafep.com).*

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### Thank you for introducing your friends & family to our office!

We invest 100% of our time and energy to delivering first-class service to our clients. As a result, our valued clients, partners, and friends refer their family, friends and associates to us. We'd like to take a moment to thank these individuals:

Cary Senior Center	Scott Lord
Courtney Campbell	Kevin Swann
Nick Cirillo	Dan Thomason
Susan Fox	Kimberly Ward
Richard Hartzell	Linda Ward
Jason Joneczak	Rick White
James Mertens	Wes White
Joe Quig	Jason York

## Top 10 Movies to Watch on Valentine's Day

1. **'The Notebook'**: Based on the Nicholas Sparks' tearjerker, the movie follows Allie and Noah's long romance, starting as a summer fling. Played by Rachel McAdams and Ryan Gosling, their chemistry brings the romance to life on screen.
2. **'The Lucky One'**: Also based on a Nicholas Sparks novel, this story begins with Logan, played by Zac Efron, finding a picture of a girl while serving in Iraq. He vows to find the girl behind the photo, who he has come to believe saved his life.
3. **'Love Actually'**: The movie, which chronicles multiple relationships, is set at Christmas in London. Love is in the air as some couples are beginning and others are ending. The British cast of includes Hugh Grant and Keira Knightley.
4. **'Inventing the Abbotts'**: Former real-life couple Joaquin Phoenix and Liv Tyler play innocent teenagers who fall in love in the 1950s. The couple cannot help their feelings, amidst a family history that prevents them from being together.
5. **'Notting Hill'**: The British romantic comedy stars Hugh Grant and Julia Roberts as quite the unlikely couple. The international movie star falls in love with the small town British simpleton.
6. **'13 Going on 30'**: This nostalgic movie begins in the '80s with 13-year-old Jenna, played by Jennifer Garner, who wishes to be 30, so she can escape her awkward teenage phase.
7. **'The Vow'**: Channing Tatum and Rachel McAdams star in this emotionally charged true story of a woman who loses her memory in a car accident. She remembers her early life, but does not remember falling in love with her husband.
8. **'10 Things I Hate About You'**: Heath Ledger and Julia Stiles steal the screen in the comedy that chronicles the relationship between two outcasts in high school. The movie is based on Shakespeare's *The Temptest*.
9. **'A Walk in the Clouds'**: A chocolate salesman, played by Keanu Reeves, meets a distraught woman, played by Aitana Sánchez-Gijón, who is dreading going home to tell her father she is pregnant and single.
10. **'Just Like Heaven'**: A career-driven doctor, played by Reese Witherspoon, falls into a coma, and her apartment is rented to a widower, played by Mark Ruffalo.

## You Go Out of Your Way to Care and Provide for Your Family... But Have You Protected Them If Something Happens to You?

### Carolina Family Estate Planning's Free Workshops—Four Dates to Choose From!

Carolina Estate Planning Learning Center: 51 Kilmayne Dr., Suite 203, Cary, NC 27511

**Thursday, Jan. 8th and Tuesday, Jan. 13th—6:30-8:30 pm**  
**or Thursday, Feb. 12th and Tuesday, Feb. 24 — 6:30-8:30 pm**

You've spent a lifetime building your savings & taking care of your family, but what would happen if you fall ill or pass away?  
**Join us for this free workshop to make sure you've protected them and discover:**

- The most important document that **everyone** needs
- How to protect your family from lawsuits, creditors, divorce, remarriage and similar concerns
- Strategies to have the advantage in tax & probate issues
- Steps you can take **now** to save \$\$\$ in costs **later**
- How to protect your home & assets from long-term care costs
- How to make sure your spouse or children are not left **financially ruined** if you need nursing home care
- Recent US Supreme Court case that puts the future of your IRAs **at risk**
- How to provide for minor children or grandchildren

**These free workshops fill up quickly — Registration Required! Signup online or Call! Register Online** (see all our workshop dates): <http://www.carolinafep.com/library/events/>

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