ESTATE
PLANNING COUNCIL
of Diablo Valley

Human Nature in Trusts and Estates

Last month provided us with excellent insight by Jeanette Garretty on economic forecasts. Some of the issues and concerns she expressed have been exhibited in recent market activity. Attempting to predict economic trends requires years of education, analysis of past trends and then an extrapolation to current and predicted events.

Predicting human nature, however, may not take as much sophistication as exhibited by the following answers to questions posed to young children.

How can a stranger tell if two people are married? You might have to guess, based on whether they seem to be yelling at the same kids. -- Derrick, age 8

What do your Mom and Dad have in common? Both don't want any more kids.-- Lori, age 8

When is it okay to kiss someone? When they're rich.-- Pam, age 7

How would you make a marriage work? Tell your wife that she looks pretty, even if she looks like a truck.-- Ricky, age 10

We are approached with varying family dynamics in our practices. In some instances, it is appropriate to bring in a professional counselor. In most cases, however, we attempt to provided analysis and predictions based on our own experiences or those of colleagues. This is a great value that can be added to client services.

For example, planning or administering an estate with stepchildren, wayward child, caretaker involvement, etc. can be a challenge in an attempt to mitigate, if not avoid, potential disputes.

Instead of approaching a case from a purely technical point of view, asking more in depth questions to determine goals and motivations will help determine the best plan for clients. Then the technical can be applied to achieve what the client seeks.

- Douglas B. Bohne

"Why Tax Planning and Perpetual Trusts are Bad Ideas"

The estate planning community has witnessed a spectacular increase in the popularity of trusts during the last twenty years. Tax sensitive trusts, commonly known as "Bypass" and "QTIP" Trusts, have been consistently recommended to a remarkably diverse client population by a wide spectrum of planners. Trusts also have been marketed as a panacea for non-tax purposes, such as bankruptcy and divorce protection and as a method to maintain family wealth down through the generations. Despite this rise in popularity, our March speaker, **John A. Hartog,** argues that tax planning trusts, creditor protection trusts, and "Dynasty" trusts, rarely accomplish the client's true goals. John's presentation will address these issues at length.

John Hartog is well known to our Council both as a past president and as a thoughtful contributor to our programs. John, received his JD from the University of California and his LLM in Taxation from Golden Gate University. He is a certified specialist in both taxation law and estate planning, trust and probate law. John is a past chair of the Estate Planning, Trust and Probate Law Advisory Commission to the California State Bar Board of Legal Specialization. He is also a co-author of *California Trust Practice* and has authored or co-authored numerous articles, books and treatises.

Wednesday, March 21, 2007

Lafayette Park Hotel
3287 Mt. Diablo Blvd.
Lafayette

6:00 PM ***NO HOST BAR (New)***
6:30 PM Dinner and Speaker

Cost: ***$36.00 dinner*** *(if mailed in)*
$41.00 *(at the door)*
(Please note: New 2007 Prices)
Reservations and cancellations must be received by Monday, Mar 19th, at 1:30 p.m. to be assured of a reservation. Please send your check in the enclosed envelope today! or call Bonni at:

925.686.4819

Mark Your Calendar!
April 18th
Jere Doyle
"Estates of the Rich and Famous"