

BUILDING WEALTH IN CHANGING TIMES



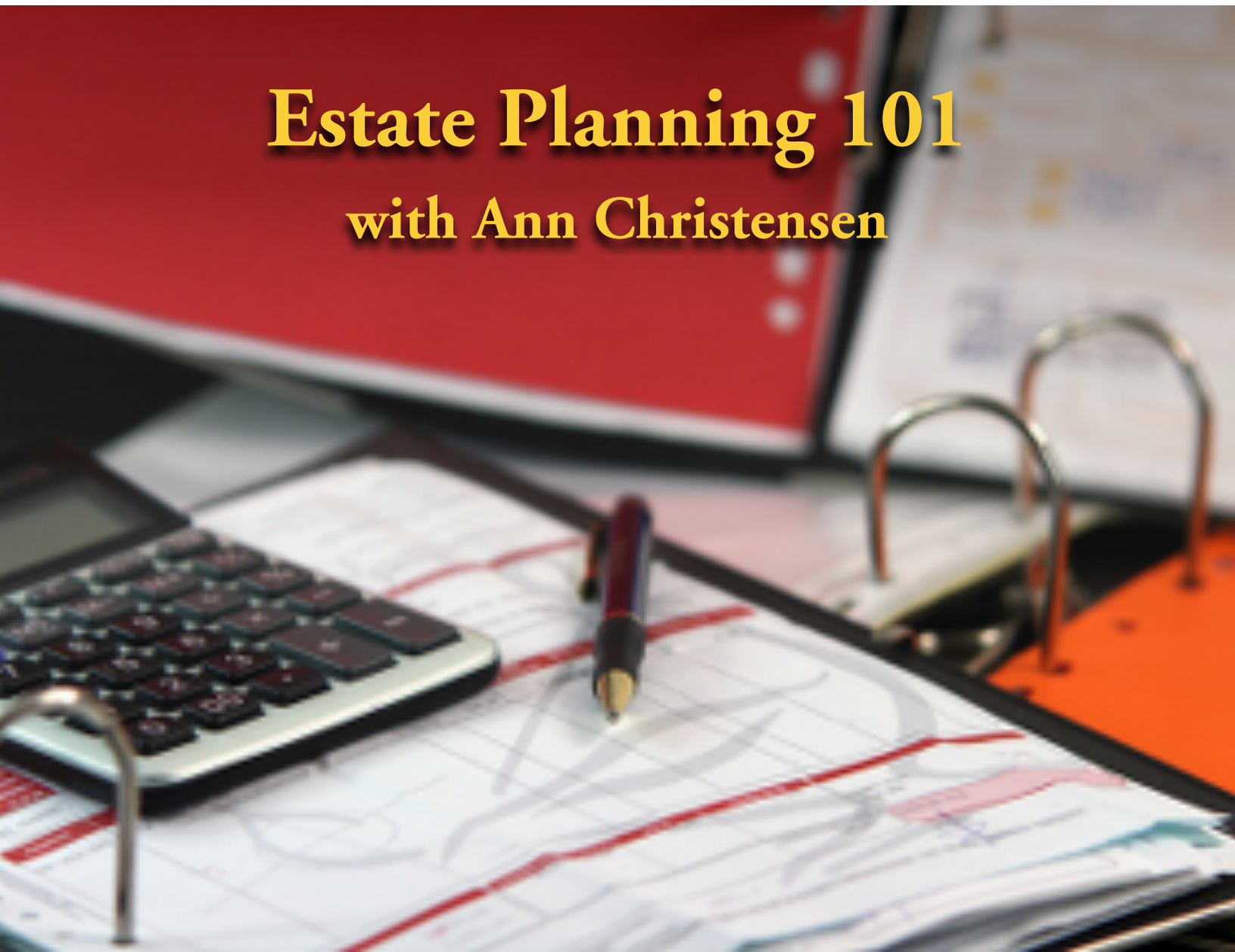
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# The Solari Report

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JANUARY 16, 2014

## **Estate Planning 101** with Ann Christensen





# Estate Planning 101

January 16, 2014

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**C. AUSTIN FITTS:** Well, it's my pleasure to introduce to you and the subscribers of The Solari Report a very special person, Ann Christensen, who hails from Santa Fe, New Mexico. Ann is a remarkably seasoned trust officer and is someone I've had the privilege of working with, and I have often recommended her. One of the reasons is, having experienced many, many years of working with families and their financial and other issues, the full gamut of what families deal with, I find that she has really a great gift for helping people get their affairs organized, planning, and really thinking about all the issues involved in both tangible assets and intangible.

So it's a great privilege to welcome her to The Solari Report, because I have wanted to do something on estate planning for a long time, but the question is how can you find somebody to help you with inspired estate planning? Ann is absolutely someone who can do that. So, Ann, welcome to The Solari Report.

**ANN CHRISTENSEN:** Thank you very much, Catherine. What a wonderful start. I appreciate that.

**C. AUSTIN FITTS:** So how did you evolve into a person with an ability to help families build wealth and manage these different issues, including financial planning and estate planning? How did that happen?

**ANN CHRISTENSEN:** I think in hindsight, Catherine, it was twofold. One was my business profession, which is almost 35 years in the trust world. Thirty-one of those were involved with financial institutions where I was working in the trust department doing both trust administration and helping families decide on trust companies to use in their estate planning document.



The other piece of it was just the way that my parents raised us, which was in a very both academic and social environment, with the idea of listening to people and trying to find a way to connect with whomever it was we were talking with to form some sort of a bond and to establish that comfort level with that individual. In looking back over my experience as I was getting ready to create Christensen Consulting, I realized that if I put those two experiences together, then I could use that to help people going forward with their own estate planning issues.

**C. AUSTIN FITTS:** So just quickly explain what it is you do.

**ANN CHRISTENSEN:** First of all, let me put the disclaimer out that I'm not an attorney, so none of this is legal advice. But what I do is sit down and help people with a commonsense conversation to really help them figure out what they want to do with their assets during their lifetime, which is when they're competent as well as during any period of incompetency, and how they want to take their assets and their family values and pass that on to their future generations.

**C. AUSTIN FITTS:** Okay.

**ANN CHRISTENSEN:** Did that answer it?

**C. AUSTIN FITTS:** Yes. I'm just thinking, because whenever you start talking estate planning, everybody thinks, "Oh, let's run down to the lawyer" and this is something that has to do with very legal things. I'm staring at a book that a great Solari Report attorney, who did an interview on hospices, wrote on ethical wills – Jo Cebuhar – and you and I have talked about this, the idea of estate planning is not really just about allocating out your estate. It's about the transitions by which you pass on to the next generation what you want to pass on. It's really much more. Anyway, her ethical will book really gets into all the intangible aspects of this.

One of the reasons I wanted to talk about this is I'm always terrified when my clients say to me, "Oh, I'm going to make up a will. I'm just



going to take off and go see the attorney." And I say, "No, no. Wait." Because you're talking about something that really dramatically impacts the entire ecosystem of the family. I've seen estates destroy and tear families apart because it's so involved in the emotions, in the feelings, in the values, and the whole intangible part of families and family wealth and family ecosystems. So I just want to make sure I underscore as we go along that this is also about the intangibles.

Anyway, so tell us a little bit about what I always like to start with: the nightmares. Tell us a little bit about some of the mistakes that people make when they do this.

**ANN CHRISTENSEN:** The first example that comes to mind is the mistake of thinking that you know what you want to do and what you want your attorney to put into the documents and realizing after the fact, when you get the documents, that what you said and what the attorney heard and wrote were two very different situations. If I can, let me give an example of a real couple that I've worked with. Is that all right?

**C. AUSTIN FITTS:** Please.

**ANN CHRISTENSEN:** Okay. I've met – and this goes back a couple of years – with a local couple. He was retired. She was several years younger than he was but still working full time. They have two adult children who are out of the house and, for better or for worse, on their own. These two individuals wanted to go in and update the estate plan now that their children were adults. So they went in with the idea that, because they had two children, they wanted to treat them equally, which in their minds meant leaving their estate in two separate trusts, of equal value for the daughter and the son. They wanted in their language that the only way the trustee could make a distribution of either income or principle was if the child had a medical emergency or – I think it was just a

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medical emergency. That was the only way that the trustee was allowed to make a distribution out of the trust.

So the attorney drafted the documents with that language in there, and this couple came to me after the documents were drafted and signed and just said, "Would you take a look at this and tell us how this will work?" So I went through the scenario and I said, "For either one of your children, if they want to purchase a home, if they want to start a business, if they just want income to allow them to take a trip around the world, this corporate trustee will not be allowed to make a distribution of any piece of the trust. The only thing that they can – the only reason that they can get money out of that trust is if they have a medical emergency," and there really was no definition in the trust agreement that allowed for a trustee to even understand what the definition of a medical emergency was.

I remember sitting across the table from this couple, and they looked at me and their mouths dropped and they didn't say anything. I let them sit there for a few minutes and I asked them, "Is that not what you told the attorney you wanted?" They said, "No." They said, "We want it left in trust for our children so that they can get access to it for regular items." I said, "Well, that's not the way it's going to work."

I think the lesson that I take back from that, Catherine, is that they had the presence of mind to go and talk to somebody else – this is when I was working for a local trust company – just to understand the administrative part of the document. It was completely different than what they thought they had told the attorney. It could be one of two things happened: they might have said exactly that, and the attorney wrote it. Or they might have gone in without being as clear as they thought they were with what they wanted, and the attorney made some assumptions and put those assumptions into the document.

**C. AUSTIN FITTS:** Our attorney always gets very frustrated with me, but I always use those software packages. When I want to create a will or help somebody create a will, I take one of those software packages, and first I create it myself, and then I take it to an attorney, because I take



responsibility to draft it and invent it and write it. I don't trust it if it's a software package, but at least I figure out, 'okay, what do I want.' I find the software very useful in helping you understand some of the options and issues. My attorney wants to punch me every time I say that.

**ANN CHRISTENSEN:** Well, and I will agree with your attorney. If it can help be a tool for getting your thoughts down, I think that's great. I must say that I have a bias against people that use those software programs and think that then it is a valid estate planning document, because they really are generic and are not state specific and can create other issues.

**C. AUSTIN FITTS:** Well, I find it's much better – you know, the first thing I would love to do is, if you've ever looked at the mind maps, is draw a mind map of how you see your passing working and what it is you want your heirs and those around you to take away from the whole thing. So the first thing I would do is draw a mind map. The challenge, I think, for a lot of people is unless you've lived through that situation, every time I live through an estate process, I learn more about all the different things that can happen. That's the one thing I do like about the software, is it helps you envision a whole lot of things you wouldn't otherwise.

**ANN CHRISTENSEN:** I think that makes sense, although I do think that there is a percentage of the population out there that that doesn't work for; so then that, in part, was why I created my business, to help those that needed that person, that face-to-face contact, because I think some people have a hard time – or there are various ways for people to approach that issue.

**C. AUSTIN FITTS:** So if you're somebody who wants to create estate-planning documents and go through an estate planning process, how do you approach it? What do you do?

**ANN CHRISTENSEN:** I spend a fair amount of time with the individual just sitting down and probing with them, asking them the questions to help them realize what it is that they really want to do with their estate.





Sometimes we build up defenses and it's hard for us to talk about family issues or secrets or things that we think society tells us we shouldn't do. It's helping people get past that emotional component of really being honest with themselves of what they want to do and who they want to have benefit from both their tangible and intangible assets at their death. I find that it sounds like it should be an easy process, but it's interesting how long it can take some people to peel back all of those layers.

**C. AUSTIN FITTS:** Right, especially if you haven't done it before.

**ANN CHRISTENSEN:** If you haven't done it before, if you're in a new partnership relationship, if you've had some tragic event. It's hard. It's very hard. I think you also don't want to go to an attorney and pay \$200.00 an hour – and that's really not their role – to sit there and help be the part therapist, part peeler of the layers.

**C. AUSTIN FITTS:** Right. I find it's imperative that you have everything worked out except the tax and legal issues before you hit the attorney.

**ANN CHRISTENSEN:** Yes, I would agree with that.

**C. AUSTIN FITTS:** Right. You may tinker with things. You may adjust them. The attorney may reinvent it, but you need a clear picture of what you want to accomplish.

**ANN CHRISTENSEN:** Correct.

**C. AUSTIN FITTS:** Then let the attorney influence how you're going to do it, but...

**ANN CHRISTENSEN:** Yes, that's exactly right. I will say the majority of my clientele has turned out to be women, and I do find – and I've seen this with my own mom when she went through the whole estate process after my dad died – I think women can tend to be intimidated by the estate planning process and by getting in front of an attorney, whether that attorney's male or female. They have a hard time standing up for what they want done in their particular situation.



**C. AUSTIN FITTS:** I just have to stop you here and tell you I have been so shocked by the interaction between some clients and attorneys, with the attorneys literally bullying them into things they don't want when you have someone who's not experienced. Obviously, I'm a person who's tremendously experienced with dealing with attorneys.

**ANN CHRISTENSEN:** Yes.

**C. AUSTIN FITTS:** That includes dealing with some of the bullies of the world. I'm a person who's very comfortable interacting with attorneys who run the spectrum from unbelievably helpful, supportive, useful, to being horrible, horrible bullies. I just think it's really important to understand before you go work with an attorney, everybody deserves an attorney who really supports them and helps them do what they want to accomplish.

**ANN CHRISTENSEN:** Correct.

**C. AUSTIN FITTS:** So if that's not what happens when you go to the attorney, you're in the wrong office. You need to leave and find somebody who's really supportive and you can trust, because there are great attorneys everywhere.

**ANN CHRISTENSEN:** Absolutely. There are great professionals and there are bad professionals. I think what's important, I do think it's a good idea to interview with a couple of different attorneys, like when you select any kind of a professional, because what you do want is somebody that you do have the ability to form a comfortable relationship with, somebody who isn't going to bully you. I think people get into the process and it's like, "Uh, I have to do this. Let's get it over with. I don't care if this person isn't really going to listen to me." It just compounds the problems down the line.

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**C. AUSTIN FITTS:** Right. Well, let's go through some of the documentation because, I'll tell you, for me the hard part is never doing a will; the hard part is all the other documents involved, including now because health care and living wills are so complicated. So let's step through the different documents.

**ANN CHRISTENSEN:** Okay. If I may, let's back up. I do think everybody needs to have a will because that is the document that passes on your assets, any assets that are in your name. That's the document that takes care of getting them to the people that you've selected.

**C. AUSTIN FITTS:** Now, Ann, if somebody holds all their assets in trusts, the trusts basically transfer. If there's not much out of the trust, isn't the will sort of a relatively minor document in terms of passing things?

**ANN CHRISTENSEN:** It is relatively minor. I would agree with that. You still need it because there are certainly assets that, from a corporate trustee standpoint, corporate trustees don't want titled in a trust. You know, sometimes they don't want the personal property. Sometimes they don't want cars because of all of the liability issues that could ultimately affect the pocketbook of the corporate trustee. So what happens when you have a trust is then the attorney will draft what's called a pour-over will, which will collect any assets that were still in the name of the individual at their death and pour it over or add it to the trust for distribution.

**C. AUSTIN FITTS:** Oh, okay.

**ANN CHRISTENSEN:** So you still need that will. But the will doesn't take effect until you've died, so if we back up then to the question of going through the other documents, the two big ones that I always go to first are the power of attorneys, and you had two different kinds of power of attorneys. You have a durable power of attorney, which handles financial and investment issues, and you have the power of attorney for health care.

So let's talk first of all about the durable power of attorney. Durable is a term – and here's where I date myself. When I started 35 years ago, they



were just called general powers of attorney, and the problem was that when you became legally deemed incompetent, the power of attorney stopped, which was counterproductive to what you were trying to achieve. So they added the term "durable," which means that that power of attorney is a valid document as long as you are alive, whether you are mentally competent or have been declared by physicians to be mentally unable to manage your affairs.

That document typically gives the agent, who is the person that you named to step into your shoes when you don't want to or can't handle your affairs, the ability to collect bank accounts, to pay bills, to add assets into an existing trust, to continue a gifting pattern that you may have been doing to children or grandchildren or friends. It allows you to sign tax returns. So it allows your agent to do all of the financial management items that we all have to have taken care of.

**C. AUSTIN FITTS:** Okay. Power of attorney for health care, we did a whole Solari Report on that but I find you cannot repeat this one enough.

**ANN CHRISTENSEN:** Right. So the power of attorney for health care is a separate document from the durable power of attorney, and it deals with those health care and end-of-life medical decisions that ultimately we're all going to face. So it is a document where, again, you name an agent. Typically, they want you to name one or two or three people, but you're picking somebody to step into your shoes and to make decisions when you're not able to about your medical care.

So the document has questions on there about what kind of medical care do you want, how long do you want doctors to try to keep you alive, do you want to not be given any life sustaining measures and just to be able to die peacefully. But it's what you want somebody to do when you can't make those decisions.

**C. AUSTIN FITTS:** Right. So it's a vehicle for you to give clear instructions, but then to appoint someone to act as your agent?



**ANN CHRISTENSEN:** To make those decisions, to interface with the medical community, yes.

**C. AUSTIN FITTS:** I just want to beat this drum again and again: it is not safe for your body to go into the traditional health care system without having somebody you love having this and being able to watch over you.

**ANN CHRISTENSEN:** Correct.

**C. AUSTIN FITTS:** But this gives them the legal powers to act on your behalf –

**ANN CHRISTENSEN:** That is correct.

**C. AUSTIN FITTS:** – in very powerful ways within the medical system, and you do not want to find yourself in the medical system and incapable without somebody having this and being able to act on your behalf.

**ANN CHRISTENSEN:** Somebody who, one, is on site, who can get into the face of the doctor or the hospital or whomever, and who is willing, in my opinion, to be assertive enough to stand up to the medical community. Because I've seen situations – it happened in my own family – where even with this power of attorney, the medical profession is so scared of a lawsuit that they can drag their heels just enough that it makes problems; it creates problems.

So that's something that – as I'm being named as that agent in power of attorney for health care for clients of mine – I'm realizing, one, it's a big responsibility and, two, I spend time wanting to make sure that I really understand what my client wants to me to do. What I might want – or, rather, what they might want me to do is not necessarily what their children think that their parent would want done, which can create an interesting conundrum.

**C. AUSTIN FITTS:** Right. Clarity is the important thing. If they've expressed their wishes and the authority is with somebody who knows how to navigate that system, I've seen it give tremendous support and relief to the doctors and nurses and health care practitioners because then they



have somebody who's clear, coherent, has clear instructions, who's empowered to make decisions, and it puts them in a much more powerful position. I've literally seen friends who were very astute at how they managed these things, and I think they lived much longer as a result of doing all this planning and educating of the people who had their powers, so it's –

**ANN CHRISTENSEN:** Yes, I agree. Talking about beating a drum, my drum always is – in order to get that clarity, Catherine – it requires conversation and examples. I met with a couple in their 80s who were redoing their power of attorneys and trust documents and wills, and they have four children. None of the children can agree with either of the parents about how to make those end-of-life decisions, so they've named me to be the power of attorney for health care. Joe, who was a physician for his career, sat down and probably for an hour just threw out scenarios to me: what happens if? "What happens if I'm out elk hunting and I fall down a ravine and nobody else is there, and somebody comes along an hour later and I have a form that says I don't want any life-sustaining methods? What are they going to do?"

**“In order to get that clarity, Catherine – it requires conversation and examples.”**

**C. AUSTIN FITTS:** Right.

**ANN CHRISTENSEN:** My response is, well, nobody there is going to have a copy of your power of attorney for health care, so the odds are they're going to try to get you into hospital and get you stabilized. I mean there are just some situations that you can't avoid.

**C. AUSTIN FITTS:** Right. I know you wanted to mention the website that we had recommended when Jo was on, and that was *AgingWithDignity*, which has the Five Wishes document, which I find is fantastic at helping you think through all the issues. Again, there are all these different scenarios that, unless you've been through it many times, you wouldn't think of it.

**ANN CHRISTENSEN:** Exactly. You always have to go into this with the idea



that you're not going to be able to hit any possible scenario that would happen, but it does make you think and help you get clarity so that person can express clarity to whoever the agent is.

**C. AUSTIN FITTS:** Okay. Are there any more documents that we need?

**ANN CHRISTENSEN:** Typically, what I continue to see being done as a separate document is the HIPAA, Health Information Privacy Protection Agreement or Act. What that does is it names an individual – or if I'm doing it, I'm giving my authority for my medical team to release any and all information on my medical history to the named individual. Interestingly, the last power of attorney that I saw drafted by a Santa Fe attorney included HIPAA language in the power of attorney, which I thought was interesting.

**C. AUSTIN FITTS:** Okay. What's the difference between a living will and a power of attorney for health care?

**ANN CHRISTENSEN:** The best way I can describe it is the living will is more of a narrative for how you want that process to go, as opposed to the power of attorney, which is a standardized form. So sometimes people do both of them. The advantage of the power of attorney, because it is a legally recognized document and it's done state by state, it's going to minimize the number of opportunities for issues because it is a legally recognized document. Living wills are a little more – I'm not quite sure of the term. It's not a legal format.

**C. AUSTIN FITTS:** Right. Okay, so let's turn to trusts and the pros and cons of doing a trust as opposed to essentially shifting all your assets through will or through probate.

**ANN CHRISTENSEN:** Trusts are a good vehicle for certain situations, and what you have to balance out with a trust, in my mind, is how much the total value of the trust is versus who you are putting into the position as trustee versus the intent of the document. So, again, when I started in the business, the trust world was known as the world for widows and



orphans because they were looked at as a vehicle for a spouse – and I will say predominantly a male spouse – for keeping his investments in trust after his death for a third party to invest and distribute the money to take care of his wife and/or children's estate. So it played a role of providing controls over the money and protection of the money for his family members.

Now a lot of what you see trusts used for falls into two different categories. One is if you have a child or a parent or a friend who has either a mental or a physical disability where you either want to protect governmental benefits, or somebody who just doesn't handle money well and you want to protect the money from themselves. So you can put it into a trust, again providing that protection so that the individual beneficiary doesn't just go off and spend the whole pot of money gambling or taking a trip or partying.

**C. AUSTIN FITTS:** What about a situation – you see it a lot in California – where people put money in a trust which is a living trust. They're their own trustee.

**ANN CHRISTENSEN:** The grantor as well as the beneficiary.

**C. AUSTIN FITTS:** Yes.

**ANN CHRISTENSEN:** I think there is a value to that. A living trust in that kind of a situation makes that transition from an individual who is mentally competent to manage her own affairs and already sets the stage for transitioning into a time when she's no longer able to handle her affairs. What I mean by that is, in a living trust – which is also called a revocable trust – your assets are transferred into the title of the trust.

So if I did my own trust, it would be the Ann Christensen Trust. All of my brokerage accounts, my property, and my bank accounts would be titled in the name of the Ann Christensen Revocable Trust. In that document it would give me the right to be grantor for the individual that creates the trust as well as the beneficiary, and it would also name the successor trustee, which could either be an institution or it can be an





individual who will step into my shoes to manage all of the assets titled in the trust. So it provides more of a – just a smoother transition for the management of the assets titled in the trust.

**C. AUSTIN FITTS:** So at death, instead of the assets having to move through probate, which in some states can be very long and cumbersome, it can move immediately to the beneficiary, is what I've seen.

**ANN CHRISTENSEN:** It can move more quickly, right. There are still certain things that have to be done. You still have to file final tax returns. You still need to do some of the gathering of the assets. But it does streamline the process.

In my opinion, the real benefit of a trust is that it keeps the assets in the trust's name private. If you die with everything in your name and you go through a probate, then what happens is that's public record, so anybody can go down to the courthouse and see what you had. When you die with assets titled in a trust, that's private between the trustee and the beneficiary, which can be huge for people.

**C. AUSTIN FITTS:** Right.

**ANN CHRISTENSEN:** So what – I'm sorry. Go ahead.

**C. AUSTIN FITTS:** No, you go ahead.

**ANN CHRISTENSEN:** The cons of a trust are you really do have to be cognizant of what the ongoing administrative costs of the trusts will be, and a lot of that is based on the value of the trust. So when I was working at a corporate trustee in Santa Fe, we had a document in which we were named as the successor trustee to an older individual, and the documents created I think it was 19 separate and distinct trusts, one for each of his grandchildren and great-grandchildren. The intents of the trusts were the same, but the timing of the distribution of some of the trusts were not consistent across the board; some of the kids had some real learning disability issues. So you couldn't combine the 19 trusts and manage them as one. You had to have 19 separate trusts.



**C. AUSTIN FITTS:** Ouch.

**ANN CHRISTENSEN:** So what that meant is you needed to take the assets, divide it into 19 accounts, and if this gentleman had had a significant estate – \$50 million or more – each one of those trusts would have been substantial. He ended up dying with \$700,000.00, and by the time they paid his final expenses, what netted out was just a little over \$500,000.00 to be split over 19 trusts. Because a corporate trustee was named as the trustee, they all have minimum fees, so you had teeny, tiny, little accounts that all were going to get socked with I think it was a \$4,500.00 minimum fee.

**C. AUSTIN FITTS:** Ouch.

**ANN CHRISTENSEN:** The only way to change that was to go into court and to have the trust pay for the court time and the lawyers' time to basically say this is just not economically viable. He didn't know what the dollar amounts were going to be, so let's figure out a different way of doing this that will honor the intent of this gentleman but make it economically feasible so that there's money left in the trust to provide for the education. I find very often that – and I'll say attorneys don't do some of that math, and with all of us living longer and using more money, I think you have to be very careful of that.

**“I'll say attorneys don't do some of that math, and with all of us living longer and using more money, I think you have to be very careful of that.”**

**C. AUSTIN FITTS:** Right. The other thing I find – and it's a whole nother topic, so we're not going to get into it today – is there's a lot of interest with people who prepare these kinds of documents to reach for tax benefits, but oftentimes those tax benefits limit flexibility through time and they limit control.

**ANN CHRISTENSEN:** Correct.



**C. AUSTIN FITTS:** So you can end up with a trustee or an executor with very cumbersome, complicated arrangements, with very little flexibility, and they can be very expensive.

**ANN CHRISTENSEN:** Exactly.

**C. AUSTIN FITTS:** So I have a rule: never do anything just for taxes because you can get yourself twisted into a pretzel that is pretty uncomfortable, or certainly have your heirs do it. So I think you want to be very, very careful about preserving flexibility and simplicity.

**ANN CHRISTENSEN:** That's correct. Sometimes I find those are the hard conversations or they can be difficult conversations to challenge the attorney with, because I think a lot of attorneys are so wired to save tax money that it's hard for them to help the individual sitting on the other side of the desk even talk through the other options that may increase taxes but may be better and more beneficial overall.

**C. AUSTIN FITTS:** Right.

**ANN CHRISTENSEN:** You need those conversations.

**C. AUSTIN FITTS:** Right. So what are some of the tools we need to be prepared to do these kinds of documents?

**ANN CHRISTENSEN:** That's always an interesting question. I think if people can write down – I think putting something on paper is a good way to clarify in an individual's mind what they want to have happen. So one of the tools that I use and one of the homework assignments that I give my clients is write down for me who you want to benefit or have a benefit from your assets. Who do you want to help? Who do you want to leave money to? I also ask them to write down who do you not want to help, because sometimes people have an easier time saying, "Well, I don't want to help this person in my family because they never helped me." It's sort of a contrarian way of helping people narrow down who it is they really want to benefit.



Part of that discussion, people need the ability to say that they don't want to leave their money to a child or their children. Even though society typically says that's who you leave your money to, there are a lot of family situations where that's not what the parent wants to do, and that's okay. The only right decision is what makes the individual comfortable, what they want to do. So the biggest tool that I use is just having them write down what they want to do.

**C. AUSTIN FITTS:** What about financial statements, putting together a real picture if they don't –? Not everybody prepares financial statements, but I find if they make a complete balance sheet and then a sheet of all their assets. One of the things that has amazed me in living through – you know, I've lived through a tremendous number of deaths in my own family, and the wars that are created over items that have no financial value but of are sentimental value.

**ANN CHRISTENSEN:** That's right.

**C. AUSTIN FITTS:** It's unbelievable. It's like the – what is it, the Hatfield's and McCoy's?

**ANN CHRISTENSEN:** That's right!

**C. AUSTIN FITTS:** I've literally seen families kill each other over photographs, so if you can, make a list of all the assets that anyone would care about, and if you can – not everybody can – have an honest conversation with all the people around you about how do we want to allocate these, and get those issues worked out so that people understand how this is going to go and are not afraid about it.

**ANN CHRISTENSEN:** Right. There are some pretty creative ways out there, Catherine, that I've seen people do that. Some people have a party while they're alive and invite the people over and say, "Here's a color coded sticker. Pink is yours. Go around and place the sticker on anything you want."



**C. AUSTIN FITTS:** What a great idea. I never thought of that.

**ANN CHRISTENSEN:** Yes. Then if three people choose the same thing, then you need to figure out how to either divide it up or share it or the individual throwing the party makes the decision. Another way that I've seen having it done is, after death, either the trustee or the executor/personal representative gets everybody seated and they choose straws, and the one with the shortest straw picks first, and they just go around the room until everything's just picked, and whatever's left over is given to a charity in the name of the decedent.

If there are – I think you're right: the valuable thing is to write it down. I'm currently working with an 84-year-old woman who's survived stage three colon cancer, but there's been some diminishment mentally because of the extreme chemo treatments that's she's had, and she keeps talking about she has silver collected from both sides of her parents as well as her deceased husband. So you've got three different family lines of silver. She keeps saying, "Well, I want this piece to go to my cousin, and this piece to my nephew, and the rest to my daughter." I said, "Well, if you don't write it down, at your death it's all going to go to your son." Part of this whole process, it's not that people aren't smart. They just don't understand the consequences of what they do and what they don't do.

**C. AUSTIN FITTS:** Well, for many of us, we're not planning on dying when we do.

**ANN CHRISTENSEN:** Do we plan to die ever?

**C. AUSTIN FITTS:** You haven't had – I know you haven't had a chance to watch it, but I'm a great fan of *Downton Abbey*. Of course at the end of the last season, the sort of young heir, Matthew Crawley – who's an attorney and very thorough and careful about all of these things – dies. I don't want to give away the whole plot, but he dies without having finalized and prepared a full and proper will.



**ANN CHRISTENSEN:** Is that right?

**C. AUSTIN FITTS:** Yes. Several of the first episodes are dealing with the trauma. I don't want to give away the whole plot, but it turns out he did prepare sort of a precursor to the will, but it may or may not stand, so we have to go through all the legal issues and, of course, there are greater taxes because it wasn't a proper will under probate. It's really funny: you see the failure to do proper estate planning making crazy with the whole family structure and emotions and feelings. Now we've got a power battle going on between the father and Lady Mary Crawley, and it shows you what can happen without the proper estate planning. It's kind of funny. Anyway, so –

**ANN CHRISTENSEN:** It is.

**C. AUSTIN FITTS:** But it's perfect. Here we have a very conscientious, thorough attorney – be it mythic – and yet he forgot to do it for himself because he had just come through the war and all sorts of ridiculous risks and now is fine and thinking, "Oh, I'm going to die in 40 or 50 years." You just never know. You just never know, so...

**ANN CHRISTENSEN:** You don't, and you can't wait for the tax laws to change. You can't wait for somebody to reunite with the family. You just have to put down on paper what you want now, because if you die with nothing, then the state's going to tell your heirs who gets what – at least here in the United States. I don't know about *Downton Abbey* and English law, but I don't want the state making the decisions on where my money goes.

**C. AUSTIN FITTS:** No.

**ANN CHRISTENSEN:** I know that.

**C. AUSTIN FITTS:** I can assure you there's not a subscriber to The Solari Report who would want that. Okay, well, Ann, this has been very, very

**“You just have to put down on paper what you want now, because if you die with nothing, then the state's going to tell your heirs who gets what – at least here in the United States.”**





useful. I wanted to do this in January because January is the time when we all sit down and say, "Okay, party's over. Now what do we have to do to make sure our affairs are in order?" I do know we have among our subscribers many people who've done a good job at doing this, but I like to encourage everybody at the beginning of the year to take everything out and say, "Okay, the world has changed, so what do we need to dust off, modify, think about?" So, to me, I like to build this into the January period, and I think it's very important to do.

**ANN CHRISTENSEN:** I think you're right, Catherine, to do it every year, because if you think about just life, think about issues that happen for a lot of people – death, divorces, birth of a child, changing jobs, retiring – there are so many different life issues that happen and we don't do that automatic "Gee, I'd better review my estate plan based on this new situation."

**C. AUSTIN FITTS:** Right. Okay, well, is there anything else you'd like to add before we close?

**ANN CHRISTENSEN:** Take a look at your situation and make sure you've talked to the people that you want to leave your money to, and perhaps even to those people that you don't want to leave your money to. But communication is extremely important.

**C. AUSTIN FITTS:** Right. Although I will say there are some situations where, unfortunately, the higher mind is not present and you have to be careful.

**ANN CHRISTENSEN:** Yes, this is –

**C. AUSTIN FITTS:** Especially when –

**ANN CHRISTENSEN:** – talk about another topic for another conversation.

**C. AUSTIN FITTS:** Hopefully, hopefully, we pray that your family is one where you can educate and plan together ahead of time, but if not – before we close, I want to mention two things. The AgingWithDignity



website, we'll put a link up on the blog so it'll be there. I also wanted to make sure everyone knew in the Subscriber Only area we have put up Ann's contact information. This is a very, very discrete and successful practice, so you do not have a website, but the contact information – if you could just once again describe your business in closing, Ann.

**ANN CHRISTENSEN:** Sure. It's sitting down and helping people have that conversation about who they are and how they want both their assets and their family history and values passed on after their death. It helps them get ready to go to the estate-planning attorney to put it into the legal format.

**C. AUSTIN FITTS:** Oh, there's one thing I just had to mention before we close. We did a Solari Report with a dear friend of mine who's an entrepreneur in Tennessee, Debbie Landers, who's started a company called Comfort Calls. What she was realizing – her husband is a pastor – was that all the families were coming together at the time of someone's passing and telling all these fabulous stories about their family and then disappearing, and it wasn't captured. So she created a company where everybody can call in and record their memories and their histories, and you mentioned family history.

**ANN CHRISTENSEN:** Yes.

**C. AUSTIN FITTS:** I have discovered that one of the things that most diminishes people's power in this country is that they don't know history; they don't know their history, and that that starts with your family history.

**ANN CHRISTENSEN:** Right.

**C. AUSTIN FITTS:** If you can understand and know your family history, it gives you so much power. Our passing is part of the time when we – I have just a wonderful uncle who's done an amazing job of capturing his history in stories, and I can't tell you the difference it's made for all of us in terms of understanding who we are and where we came from. It really



does increase our power. So when you sit down to do your estate planning and thinking about your passing, think about how you can pass in a way that really does transfer and increase and build that family power.

**ANN CHRISTENSEN:** I agree 100 percent with that, Catherine. To me, one of the hardest parts of what I do is watching the next generation deal with their parents who are into dementia and/or Alzheimer's and they're physically present but the child's ability to access those memories is gone.

**C. AUSTIN FITTS:** It's funny. We had a wonderful subscriber whose mother-in-law was struggling with Alzheimer's. She'd been very beautiful when she was young, and they took a photograph album and put together her whole history with photographs and stories. It's almost like they did an expanded obituary before her death, and they put the photo album next to her bed so that her doctors and nurses could learn all about her.

**ANN CHRISTENSEN:** Oh, what a great idea.

**C. AUSTIN FITTS:** Isn't that a great idea?

**ANN CHRISTENSEN:** Wow.

**C. AUSTIN FITTS:** When my friend Georgie was passing, she was insistent that we had to collect all the photographs and write the whole thing early on. It was a huge production. We ended up with a whole website with photographs and PowerPoint and everything. But we did the same thing; we used that to introduce her to all the people who were helping her as she died in the hospice. It brought us together, it gathered us, and it helped tease out all those stories.

**ANN CHRISTENSEN:** What a great idea. There's another tool, Catherine.

**C. AUSTIN FITTS:** I know.

**ANN CHRISTENSEN:** You know?



**C. AUSTIN FITTS:** I know.

**ANN CHRISTENSEN:** Yes, it takes time, but the reward for everybody involved, not just at the present but also down the road, is tremendous.

**C. AUSTIN FITTS:** Right. If you go on the blog, if you do a search for Comfort Calls, you can find that discussion we did with Debbie. We helped her capitalize her company, so there's a Solari A-share, B-share model term sheet there. Then if you do a search for Georgie LaRue, you can find the obituary I wrote for her and the PowerPoint and the whole nine yards.

**ANN CHRISTENSEN:** Very neat.

**C. AUSTIN FITTS:** It's all there.

**ANN CHRISTENSEN:** Good for you.

**C. AUSTIN FITTS:** So I'm planning on having a very amusing death.

**ANN CHRISTENSEN:** Well, have you told somebody and written it down?

**C. AUSTIN FITTS:** You know, I've done a fair amount of planning, but it's funny; I did a great planning and will after I left Wall Street, and of course then when I started my own company, I had to change it all again. Then with the litigation, I had to change it all again. So I just feel like, 'okay, reinvent yourself, reinvent your estate planning.' But I've seen – I saw my family when my father and mother died. I saw just tremendous angst and hurt and whatever, and that's what really clued me into the fact that these things have very deep, energetic processes to them that have nothing to do with money.

**ANN CHRISTENSEN:** Right.

**C. AUSTIN FITTS:** They have to do with love and power and family and all sorts of other stuff, and that's why you want to think about them within the whole family ecosystem.



**ANN CHRISTENSEN:** Right.

**C. AUSTIN FITTS:** Anyway, so this conversation is – as always, every time I talk with you – is unbelievably useful, and I just have to say this again: I very rarely on The Solari Report sort of pitch my favorite people, but I have to tell you that in terms of helping you get things organized, including those things that have a lot of psychic baggage to them, Ann, in my experience, is unsurpassed. This woman is really a gift to all of us. So if that's something that can help you, please feel free to get her contact information and get a hold of her, because she can really, really help. Anyway, so, Ann –

**ANN CHRISTENSEN:** Thank you.

**C. AUSTIN FITTS:** – always a pleasure. You have a wonderful day and thank you for joining us on The Solari Report.

**ANN CHRISTENSEN:** Thank you for the opportunity and you made it very easy.

**C. AUSTIN FITTS:** Bye.

**ANN CHRISTENSEN:** Bye-bye.

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