



# BARRIS, SOTT, DENN & DRIKER ESTATE & FINANCIAL PLANNING INSIGHTS

SPECIAL EDITION

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## Estate Planning in an Era of Constant Uncertainty

**A**s we enter the New Year, amid unparalleled economic turmoil, we feel it's imperative that you keep in mind long-term planning objectives. Also, unusual times – a combination of depressed stock values and extremely low interest rates – present some “once-in-a-lifetime” planning opportunities, and we want you to be aware of them.

In this Special Edition we will highlight several essential areas for review in connection with your estate and financial planning. This is not a complete checklist, as each situation will differ, but rather an overview of general areas which might benefit from review at this time.

We'll also bring you up to date on the status of estate and gift tax changes under the 2001 Tax Act. We've just had a major increase in the estate tax exemption. Will the estate tax be repealed, and how do you plan if you don't know whether it will

be or not? We'll share with you what we expect to happen in 2009 regarding estate and gift tax, and let you know our thoughts about prospects for total repeal of the estate tax.



We'll brief you on interesting features of Section 529 education savings plans. These plans, generally invested in stocks, have been battered. Should you bail out or invest more? What about prepaid tuition plans as an alternative for the more conservative? Worried about the safety of your bank deposits? We'll give you some important insights into FDIC coverage.

We will also point out the importance of photo ID for everyone in your family, and tell you about an important service in our community, particularly for those settling an estate or helping a senior in transition.

We sincerely hope you will find this newsletter of interest and, as always, if you have any questions please don't hesitate to call. We look forward to hearing from you and hopefully working with you in the year to come.

*Bob Kass*

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## Estate and Gift Tax Update

The 2001 Tax Act significantly changed the estate and gift tax laws, and provided for repeal of the estate tax in 2010, but for that one year only. Beginning in 2009 each person has a \$3.5 million *lifetime estate tax exemption*. This means that, if your assets are properly structured, and unless the law is changed, a married couple can leave a combined \$7 million estate without incurring any estate tax at all. We strongly doubt that the estate tax will be repealed. The problem is that we don't know if the \$3.5 million exemption will continue indefinitely, if it will be increased further, or if it will be reduced, or perhaps return to its prior \$1 million level. Given all this uncertainty, your plan should be designed to maximize whatever benefits are available, regardless of changes in the law, and whether your estate value is up or down.

The *lifetime gift tax exemption* remains at \$1 million. The gift tax exemption is actually part of *and not in addition to* the \$3.5 million estate tax exemption. This means you can give away \$1 million of your estate during your life, and that \$1 million will be applied against your \$3.5 million estate tax exemption on your death.

The *gift tax annual exclusion* is increased from \$12,000 to \$13,000 in 2009. This means that you can give away \$13,000 per year, beginning in 2009, to as many people as you wish, without using up any of your \$1 million lifetime gift tax exemption. If you are married, you can double the \$13,000 annual gift tax exclusion to \$26,000 per donee by electing gift-splitting on a gift tax return filed for the year in which the gift is made. Unlimited gift tax exclusions will continue to be available for gifts for educational tuition and medical expenses, but applicable rules must be strictly followed.

What about estates that are well under \$3.5 million? Estate tax planning is only a small part of a proper estate plan. Many clients are concerned about leaving assets to children or grandchildren outright, as they could be frittered away or lost in a divorce or liability suit. Others are concerned about their spouses being taken advantage of by a new spouse or significant other, or the spouse being a "soft touch" and giving too much to the children. Assuring that your intentions are implemented through a coordinated estate plan is thus a major objective even for non-taxable estates. If it has been several years since you put your estate plan in place, and if you are uncertain whether it still meets your goals, call for an appointment to review your plan. ■

## Maximizing Your FDIC Coverage

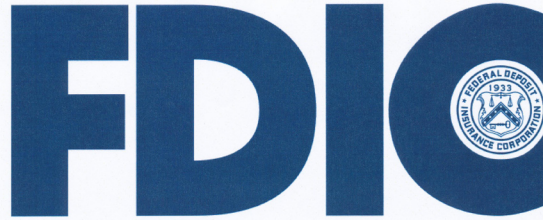
The Federal Deposit Insurance Corporation (FDIC) was created in 1933 and is an independent agency of the United States government that insures deposits when an FDIC-insured bank or savings association fails. The FDIC automatically insures deposits held in checking, savings, certificates of deposit and money market accounts up to a certain amount per ownership category (e.g., single accounts, joint accounts, trust accounts). Therefore, there is no need to apply for or request FDIC insurance.

We sometimes forget that banks do fail. During the Great Depression—an era that gave rise to the FDIC—thousands of banks were shuttered. In 1989, a total of 534 FDIC-insured institutions closed their doors. To get some perspective, by mid-December, 2008, despite the seriousness of the credit crisis, only 24 banks had failed. Thanks to the FDIC, in 75 years no depositor has ever lost a penny of insured deposit.

All non-interest bearing accounts in FDIC insured banks have unlimited FDIC coverage. The standard coverage limit for all other ownership categories is \$250,000 through December 31, 2009. For a revocable trust account, each owner is insured up to \$250,000 for the interests of each beneficiary, subject to specific limitations and requirements. Beginning January 1, 2010, the standard coverage limit will drop back down to \$100,000 for all other ownership categories except IRAs and certain other retirement accounts.

An individual can have more than the current \$250,000 limit at one insured bank and still be fully insured if the individual owns deposit accounts in different ownership categories. For example,

in 2009 an individual may have a single account with a balance of \$250,000, a revocable trust account with a balance of \$250,000, and an IRA with a balance of \$250,000. The total amount of \$750,000 would be fully insured by the FDIC because each of the three accounts falls under a separate ownership category. A married couple could each have individual accounts, two separate retirement accounts and a joint account at one bank and be fully insured for up to \$1.5 million under the current limits.



Remember that the \$250,000 per category limit is temporary, so you should watch what will happen effective in 2010 to make sure that you are not caught by a reduction in the limit. This could catch you, for example, if you take out a certificate of deposit with a maturity date beyond December 31, 2009. Remember, also, that banks offer a wide variety of other financial products to their customers. These products

include stocks, bonds, mutual funds, life insurance and annuities, which are not insured by the FDIC.

If you have questions, you may call the FDIC's consumer hotline, 1-877-ASK-FDIC (1-877-275-3342), or visit EDIE, the FDIC's online insurance calculator at [www.myfdicinsurance.gov](http://www.myfdicinsurance.gov). EDIE can help ensure that your savings are 100% FDIC-insured.

The rules are significantly more complex than outlined above, and you should not rely on this summary as legal advice with regard to your FDIC coverage. If you need legal advice regarding FDIC coverage, please call us and we will review the facts and the regulations as they apply to your specific situation. ■

# TOUGH TIMES PLANNING CHECKLIST

**W**ith the markets in turmoil and just about every assumption we have about economic life being turned upside down, it's no time to put your head in the sand and forget about your planning. Life goes on, and serious illness or accident could occur while you are waiting for things to settle down. Although tax, business, economic and investment matters have all become extremely uncertain, you need to chart a clear path through the storm with those things that you can control, rather than become confused or frustrated by things you cannot control. Now is the time to re-evaluate all aspects of your planning.

The following are just a few of the basic concepts we feel you should consider. We hope they will help you begin to address issues to make sure your plan works as intended.

## Will Your Estate Plan Still Work?

The first aspect of your estate plan you should review is "who gets what." Dramatic declines in the stock market and real estate values in some areas may wreak havoc with your previous plan. You may have left a portion of your estate tax exemption amount, or all of it, to children or beneficiaries other than your spouse. You may have done this when the estate tax exemption was \$675,000, or perhaps \$1 million, or even \$2 million.

In 2009 the estate tax exemption is scheduled to increase to \$3.5 million, and the value of your estate may have decreased dramatically. Your plan may have assumed that there would be enough for your spouse. Now the non-spouse beneficiaries may get the lion's share of your estate, or possibly all of it. Your spouse may be left with little or nothing. Is this what you intended?

Many clients' plans include a bequest to a trust (often called the "Family Trust"), which includes both the surviving spouse and the children, or maybe even grandchildren, as beneficiaries. The Trustee has the power to "sprinkle" distributions among any of them. Will this provide sufficient security to your surviving spouse? In light of recent economic conditions, should specific language be added to favor distributions to your spouse over your children and grandchildren? Should your spouse be the sole beneficiary of that trust? Should your spouse be put in control of that trust? Is that trust even necessary anymore?

Some plans include a specific bequest of a particular asset to certain heirs. For example, you may have left a vacation home to one child, or the family business to another. Certain assumptions were probably made about the value of these bequests. Should these bequests be revisited in view of the changes in value? Should language be included to deal with disparities in value? Should you consider other ways of adjusting the shares, such as life insurance?

## Re-Evaluate Your Gift Program

**To Give or Not to Give?** Gift planning presents a dilemma. No matter how wealthy you are, you may not feel inclined to make gifts if the value of your estate has dropped dramatically. Do you even need to make gifts anymore in view of the increase in the estate tax exemption to \$3.5 million?

Some clients clearly will not have any estate tax benefit from making their annual exclusion gifts, because their estates will probably not be taxable in any event. Others who still have very large estates may be inclined to hold off because of the psychological impact of the market decline.

The right answer will depend on your particular facts. In some cases you should stop making gifts and make sure that you have enough for your own needs on a long-term basis. In our firm there is an old adage: "One parent can take care of 12 children, but 12 children may not take care of one parent."

**Tax Savings by Gifting.** However, in other cases, particularly with very large estates, you should remember that the estate tax will still take 45% of whatever is left when you can no longer fog the mirror. That means you may be giving up 45% x \$13,000, or \$5,850 in tax benefit, each year beginning in 2009, for each gift you do not make within the annual gift tax exclusion. For a married couple electing gift splitting, this translates to \$11,700 per year for each beneficiary to whom you could have made a gift but did not. The future growth or appreciation on those gifts will also be removed from your estate. So while you should assure that your own needs are taken care of, unless you like the idea of paying 45% estate tax you may well want to take advantage of the annual gift tax exclusion even during these trying times.

**Non-Tax Reasons to Make Gifts.** Tax benefits aside, there may be compelling reasons to make gifts. Your heirs may have been so negatively impacted by the economic downturn or other circumstances, whether by job loss, foreclosure, loss of health insurance, divorce, or other life-altering event, that your gifts are critical and the impact on your own economic position may be only a relatively minor concern.

**Review Gift Provisions in Powers of Attorney.** While you are at it, make sure that your Durable Power of Attorney contains gift powers that are sufficiently broad to take advantage of the increase in the gift tax annual exclusion to \$13,000, and that the powers also allow unlimited gifts for medical expenses and educational tuition, if you feel those should be made. In the event of your disability, you may want your Attorney in Fact to be able to take advantage of those opportunities.

Are you concerned that the gift powers will be abused? Consider making certain gifts subject to the approval of a trusted third party. Are you generally unwilling to allow gifts to your children's step-children, but now might want to reconsider if their economic needs are really pressing – if only to take the pressure off your child?

**Consider Whether Gifts Should Be Equal Per Family.** Are you concerned that making gifts to every member of the family, while it makes sense from a tax point of view, may favor one family over the other because of family size? We can draft an equalization provision for your Trust which takes all gifts into account from a certain point in time, to make sure that the various families are treated equally at the end of the day.

If you already have an equalization provision, is this still what you want? If one child has lost his job or his home, or if you have made gifts of huge amounts to cover medical expenses, should all families necessarily be treated equally, regardless of need? (Continued ☞)

**Make Large Gifts When Values Are Down.** If your estate is large and will definitely be taxable, and if you believe that values will eventually increase, consider the current economic environment as one which favors major gifts. You may be able to remove assets with depressed values from your estate with very little or no gift tax implications, and allow your children to benefit from future growth in the value of those assets.

Current low interest rates also favor various types of transactions which permit transfer of wealth outside your taxable estate. One of these is the Grantor Retained Annuity Trust, or “GRAT,” which is a statutorily authorized method of transferring future appreciation to your family members with little or no gift tax impact. It works best in a low-interest rate environment such as we have today, with assets that are likely to increase in value. However, if the assets do not increase in value there is no substantial negative implication.

There are rumblings that the new administration may impose more restrictive estate tax rules, which will eliminate certain techniques which are perfectly acceptable today, so this could be a reason to proceed as soon as possible and not delay planning. This may be a truly unique time in history for the transfer of wealth.

**Depressed values, coupled  
with low-interest rates,  
make the current environment  
ideal for tax-free transfers of  
future appreciation.**

These must be the most incredibly difficult times for charities. The needs are greater than ever before, and donors are facing their own economic challenges. We therefore encourage you, if you can, to continue or even enhance your charitable commitments.

**Bequests to Charity.** Perhaps instead of outright current charitable gifts, you prefer to consider adding a bequest to charity in your estate plan. This could be revised if circumstances continue to deteriorate, or can be capped at a certain percentage of your estate so your heirs will not be severely short-changed.

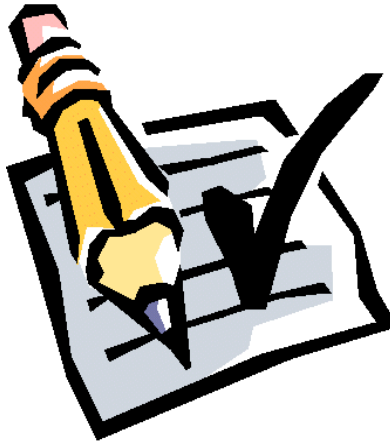
Remember that if you let your favorite charity know that they are part of your plan, and allow them to announce the bequest in their newsletter or otherwise, it may encourage others to give. Your gift can thus have a real positive impact on their fund raising program, in multiples of what you alone are giving.

**Life Insurance to Fund Charitable Bequests.** If you previously planned a large bequest to charity, but no longer feel your estate will be able to afford it, do you have any unneeded life insurance which can be directed to the charity? What about allowing the charity to purchase a permanent life insurance policy on your life and funding the premiums during your life? In this way you will be able to preserve your personal assets (less the premiums) for your non-charitable beneficiaries.

## Rethink Your Fiduciaries

Your estate plan appoints certain people to make decisions, either in the event of your disability, or after your death: Your Attorney in Fact under your Durable Power of Attorney, your Personal Representative under your Will, your Successor Trustee under your Revocable Trust, and perhaps further Trustees under continuing trusts.

Are you still comfortable with those choices? Do you even remember who you appointed? Some may have passed away, shown themselves to be unstable or irresponsible, or have left your circle of friends or professionals. If you appointed children to serve in these roles, have they turned out to be the kind of people you would now select, knowing what you now know about them – and their spouses? Often the child is fine but the child’s spouse creates a situation where you may no longer feel that the child should be given the role for which he or she was initially considered. Is there any need for a more independent fiduciary, for example, if you are allowing gifts based on need or other more qualitative or flexible criteria?



## What About Charity?

**Lifetime Gifts to Charity.** In tough economic times, you may be reluctant to make charitable gifts in light of financial insecurity stemming from recent economic developments. You may have been giving to your favorite charity all along, and may even have an outstanding commitment, but may be loath to pay it currently.

We can work with you and your favorite charity to create a deferred gift which will provide you a stream of income for life or for a period of time, with an amount eventually to pass to the charity at a future date. These techniques aren’t new or complicated, but can help you remain generous, and help your favorite charities through a very tough fund raising period.

## Review Your Life Insurance

You should periodically review your life insurance in any event, but this is even more vital in light of today’s economic turmoil. Do you still need the coverage? Sometimes insurance is continued long after the need for the insurance has disappeared, for example, after a business has been sold, or if the insurance was purchased to cover payment of alimony or expected estate tax costs when the estate tax exclusion was lower.

The insurance markets have changed dramatically over the years. If you do still need the insurance, can you get whatever coverage you need at lower cost? Will a different type of insurance suffice, e.g., term life insurance instead of more costly permanent life insurance? The cash flow savings could be of real benefit while you wait for economic recovery.

Consider a reduction in the face amount of the policy, for example, by putting the policy into reduced paid-up mode or extended term. Consider taking a loan against the policy to keep the policy in force.

If the policy really is no longer necessary, don’t merely let it lapse for non-payment of premium, without considering whether you can sell the policy to a third party. We have contacts with agents who specialize in shopping the market for the right buyer and will provide full transparency as to what is being offered and all commissions. Don’t just talk to one agent on this important transaction.

If you are considering buying a new policy, in a large amount, don’t forget to diversify your carriers by placing part of the total benefits with several different insurance companies, just in case one of them should fail. (Continued ☞)

## Check Trust Funding and Beneficiary Designations

Beneficiary designations and joint ownership should be periodically reviewed from time to time to make sure that they all tie in with your overall plan so that your plan will work as you intended.

It is common for people to leave assets in their own names, and forget to retitle them in the name of their trust. If probate avoidance is one of your objectives, leaving assets in your individual name will virtually assure that you have to probate those assets.

For a married couple with a large estate, it is more important than ever to make sure that your assets are divided between you so that you can take advantage of the estate tax exemption in both estates. If your assets are all in joint tenancy with rights of survivorship, they will pass to the survivor on the first death, but the second estate will

benefit from only one estate tax exemption. Under the increased \$3.5 million exemption, getting this wrong could cost your family almost \$1.6 million in unnecessary estate taxes.

Your beneficiary designations under life insurance, retirement accounts and annuities will “trump” whatever you have provided in your Will or Trust. Are your beneficiary designations coordinated with your overall plan? It is not uncommon for a client to provide for a trust for children or grandchildren in a Will or Trust, for example, but then neglect to change the beneficiary designations under life insurance or retirement accounts. In some cases this will result in the insurance proceeds or plan benefits passing outright to these beneficiaries under the beneficiary designation. Another common problem is leaving assets in joint tenancy with rights of survivorship, which will cause the surviving joint owner to inherit the property outright. This could be inconsistent with your overall plan. ■

## Case Studies

Here are some examples of changes our clients have made after reviewing their plans. Review is not necessary every year, but when there are major changes in your family or financial situation, or changes in the estate tax exemption, it's time to review your plan.

□ One client's plan provided for an outright bequest to her son, who is a responsible adult. However, as his marriage appeared rocky, the client changed the plan to provide for a trust for the son to protect his share of the estate from a future divorce.

□ A couple's estate plan, prepared when their children were very young, provided for outright distribution to the children at age 30. The children are now almost 30 and the parents see who they have married or might marry. They have no specific reasons to expect divorce, but see divorces occurring among their friends' children. They decided to leave the inheritance in longer-term trusts, as a precautionary measure. Their estate is not large, but they felt it was all the more important that they protect what they have.

□ Another client had left very large bequests to nieces and nephews. The client's estate had significantly declined in value, so she reconsidered the amounts of the bequests to make sure that what would be left in her estate would be sufficient to take care of her children, who are her primary beneficiaries.

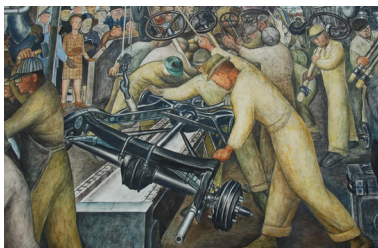
□ A client had left a bequest to charity in her Will, and decided that it made more sense to leave it through her IRA. The charity is tax-exempt and won't have to pay income tax on the bequest. The children can receive other assets, and won't receive the taxable IRA. It's a “win-win” for everyone.

□ A married couple's plan was fine, but they realized that they had left all their assets in joint name. Although their combined estate was well under the estate tax exemption available to a married couple, since their assets were not properly divided their estate could have been subject to \$900,000 estate tax. Once they realized this, they retitled their accounts and can now take advantage of the estate tax exemption in each of their estates. Under the increased exemption, in a large estate the cost of improper planning could be almost \$1.6 million. ■

## Have You Visited the DIA Lately?

Just over a year ago the Detroit Institute of Arts (DIA) reopened with a new look and philosophy that was all about helping visitors make personal connections with the art. The resulting larger crowds, increased media attention, awards, and recognition by other museums are evidence that they are making that connection.

The six-year, \$158 million renovation and gallery reinstatement began in 2001, originally to make structural upgrades. Since this necessitated emptying the galleries and putting the art back when finished, Director Graham W.J. Beal saw this as a once-in-a-lifetime opportunity to rethink how the DIA presents its collection to the public, resulting in an unprecedented focus on the general museum visitor. Visitors can now find many more ways to engage with the art, as the



DIA's renowned collection is presented in its historical, social, political, and spiritual contexts with improved labels, numerous interactive devices and a small number of high-tech, interpretive stations.

If you haven't been to the DIA since the renovation, make sure to put it on your “must do” list. The improved lighting, airy feeling, better signage and new layout all contribute to a very positive experience.

Plan your visit to take a break around lunch time. The new cafeteria is excellent, offering a range of hot and cold dishes and delicious desserts, at moderate prices, in a pleasant and bustling atmosphere. The economy may be down, but you would never know it from the crowds at the DIA. ■

## Section 529 Education Savings Plans: Time to Bail Out or to Buy?

**W**ith the stock market down, if your child or grandchild already has a Section 529 Plan you may feel it's a disaster and be tempted to sell out and invest in cash. But is now actually the time to buy? If you intend to use the Section 529 Plan to provide for college education expenses of children or grandchildren who are very young, now could actually be the time to buy. This is because dollars invested now could grow significantly when the market rebounds.

We do not make investment recommendations, but want you to be aware of how 529 Plans operate and the advantages they offer. The investment decision will be yours. However, paying for college education may be one of the greatest burdens you (or your children) will have, and your contributions to a Section 529 Plan could alleviate that burden.

Our primary focus here will be the 529 plan which is a savings plan, not a prepaid tuition plan. In a savings plan all growth is based upon market performance of the underlying investments, which typically consist of mutual funds. Most 529 savings plans offer a variety of age-based asset allocation options where the underlying investments become more conservative as the beneficiary gets closer to college age.

Money from a 529 plan can be used for tuition, fees, books, supplies and equipment required for study at any accredited college, university or vocational school in the United States and at some foreign universities. The money can also be used for room and board, as long as the beneficiary is at least a half-time student. Off-campus housing costs are covered up to the allowance for room and board that the college includes in its cost of attendance for federal financial-aid purposes.

There are many advantages to the 529 plan:

First, although contributions you make to a 529 plan are not deductible for federal income tax purposes, many states provide state income tax deductions for all or part of the contributions. (Michigan allows a \$5,000 deduction against your Michigan income tax on a single return, \$10,000 on a joint return.) Beyond the potential state income tax deduction possibilities, a prime benefit of the 529 plan is that the principal grows tax-deferred, and distributions for the beneficiary's college costs are exempt from income tax.

Second, if you are the one contributing to the plan, you will maintain control of the account. With few exceptions, the named beneficiary has no rights to the funds. Most plans even allow you to reclaim the funds for yourself any time you desire, no questions asked. (However, the earnings portion of the "non-qualified" withdrawal will be subject to income tax and an additional 10% penalty tax).

Third, a 529 plan can provide a very, easy hands-off way to save for college, without the legal expense of creating a trust, and without any tax return filings. Once you decide which 529 plan to use, you complete a simple enrollment form and make a contribution or sign

up for automatic deposits. Since plans are sponsored by all of the states, your first decision will be which plan to use, since you are not required to use the plan sponsored by your state or the state in which the beneficiary lives.

The ongoing investment of the account is handled by the plan, not by you as the donor. Plan assets are professionally managed either by the state treasurer's office or by an outside investment company hired as the program manager. Neither you nor the beneficiary will receive a Form 1099 to report taxable or nontaxable earnings until the year withdrawals are made. If an investment switch is desired, you may change to a different option in a 529 savings program once a year (a recent IRS Notice allows changes twice a year, but for 2009 only,

program permitting), or whenever there is a change in the designated beneficiary. The account may also be rolled over to a different state's program provided no rollover for the beneficiary has occurred in the prior 12 months.

Section 529 plans generally have very low minimum start-up requirements and low contributions. The fees are relatively low, compared with other investment vehicles, although this depends on the state administering the plan, and you should compare fees and performance before investing.

Everyone is eligible to take advantage of a Section 529 plan, and the amounts that can be put in are substantial. (Under the Michigan plan, the maximum account balance is \$235,000.) Generally, there are no income limitations or age restrictions.

Finally, a rather unusual advantage of the 529 plan is that although the assets can be reclaimed by the donor (subject to income tax and the 10% additional penalty on any gains), they are not counted as part of your gross estate for estate tax purposes. Thus, 529 plans can be used as an estate planning tool to move assets outside your estate while still retaining some measure of control if the money is needed in the future. However, a beneficiary must be designated and the income tax savings are still only obtained if the money is eventually spent for education.

If you're still concerned about stock market volatility, or perhaps you already have a 529 plan and the market has battered the account, consider some options:

For existing plans, consider leaving the balances where they are and allocating new contributions to cash equivalents. If the market starts to rebound, you can quickly start adding to your stocks again.

And don't over look prepaid tuition plans. These may not have the upside of the investment accounts we have been discussing, but state-run prepaid tuition plans do help hedge against tuition inflation without all the market risk. However, you won't get any real benefit unless the child attends a state school. If that's not your expectation, investigate the TIAA-CREF-run Independent 529, which sells tuition credits for over 250 private universities. ■

**“With the stock market down, now may be the right time to invest in a Section 529 Plan to provide for college education expenses...”**



## Local Auctioneer Offers Broad Range of Services

There is a hidden gem in our community of which you should be aware: **Stefek's Auctioneers and Appraisers of Antiques and Fine Art**, in Grosse Pointe Farms, Michigan offers a unique mix of services which anyone handling an estate, or dealing with seniors in transition, will find of interest.

We recently met with Lori Stefek, the owner, to discuss how her company could be helpful to our clients and to our firm's estate administration practice.

Stefek's was established in 2000 as a company conducting personal property liquidations, often involving antiques and fine furniture.

In 2004 they added a clean-out service because of increasing client demand by those clients who didn't have enough items to conduct an estate sale themselves. For a flat fee, Stefek's sells what they can through private sales, without commission, providing an inventory of items sold and sale prices. The family can take what they want, after which Stefek's will pack up and donate the remaining useful items to charity, providing a detailed list of items donated, their value and receipt. They remove any and all debris, which usually requires a dumpster, and then clean the home so that it is ready to be listed for sale.

Stefek's conducts approximately 100 estate clean-out sales each year. They specialize in homes that need a great deal of sorting, with large volumes of accumulation, including massive amounts of paperwork, memorabilia and other items. They sift through all of it, identifying important papers and items of value. In their years of business they have found hundreds of thousand of dollars of cash, which was turned over to the owner. When they are finished, the home is left organized.



In 2004 Stefek's began offering personal property appraisal services. Lori Stefek achieved accreditation by the International Society of Appraisers in 2006.

In 2004 Stefek's added senior moving to their services. In 2005 they became a senior member of the National Association of Senior Movers, conducting multiple moves per month to various assisted living facilities; they have even moved people back to Michigan from Florida.

When they handle a move to assisted living, they organize a floor plan in the new location, unpack upon arrival, hang pictures and hook up cable. If needed, they will even conduct a moving sale and make arrangements to ship certain items to loved ones, transfer the utilities out of the client's name, and send out change of address cards – virtually everything you could want to assure a smooth transition.

After years of successfully selling and brokering high end furniture and decorative items for her clients (e.g., banks, attorneys, CPAs, real estate brokers and individuals), Lori Stefek was urged to open up her own auction house to accommodate those clients who had items suited for auction. She graduated from the Missouri Auction School in 2006 and opened Stefek's Auction House in Grosse Pointe Farms in 2008.

Trust Departments of major banks, including Comerica Bank, JP Morgan, and Northern Trust, frequently call upon Stefek's for their services. It's obvious to us that Stefek's offers an extremely valuable range of services.

For further information, contact Stefek's at 313.881.1800, by email at [stefeks@stefeksltd.com](mailto:stefeks@stefeksltd.com), or see their website at [www.stefeksltd.com](http://www.stefeksltd.com). ■

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## Photo ID: Don't Leave Granny or the Kids Without It

An elderly woman was recently refused boarding at the airport because she could only produce an expired driver's license for ID. She had not renewed her driver's license because she doesn't drive.

An air traveler was warned that her driver's license would expire before the date of her return trip and that this could cause her problems in boarding.

Parents of minor children were delayed in crossing to Canada because they could not produce photo ID for the children.

Most of us drive and don't give a second thought to having up-to-date photo identification. Photo ID is needed for many things, including boarding an airplane, paying for a retail purchase by credit card, and in some states a notary public must see a driver's license to notarize a document. Many states, including Michigan, offer a

Personal Identification Card, and in Michigan a minor may obtain one. For more information regarding the application process for a Michigan Personal Identification Card, please visit the Secretary of State website at [www.michigan.gov/sos](http://www.michigan.gov/sos).

A passport may also serve as photo identification. In some cases a U.S. passport may be renewed by mail if it expired within the past 15 years. Check the Department of State website for the current rules and forms, <http://travel.state.gov/passport>, or ask at your local Post Office.

Please make sure that all of your family members, from minors to seniors, have proper photo identification. And if anyone is heading South for the winter, with a driver's license that will expire while they are away, look into advance renewal. ■

## New Faces on the BSD&D Estate Planning Team



**Yuh Suhn Kim** joined BSD&D in 2005 as the firm's Estate Administrator. She is a 1996 graduate of the Detroit College of Law at MSU, *cum laude*. Yuh Suhn was formerly an attorney with UAW-GM Legal Services where she administered several hundred estates over a 7-year period. In addition to handling decedents' estates, Yuh Suhn's practice includes guardianships, conservatorships, and contested matters. A highly effective probate practitioner, Yuh Suhn can often accomplish things in Probate Court which others thought were not possible.



**Hayley E. Rohn-Davé** is an associate attorney who joined the BSD&D Estate Planning Team in 2007. Hayley is a 2007 graduate of Wayne State University Law School where she received the Michael and Peggy Goldberg Pitt award for law students (2005-2007) and was a Women Lawyers Association of Michigan Foundation scholar (2006). At WSU Hayley was involved with the Women's Caucus and the Disability Law Clinic. Hayley's practice is primarily focused on estate planning and tax law.

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## People in the News

BSD&D estate planning attorneys have been recognized for their expertise by their peers. Bob Kass was named in the 2008 Edition of *Best Lawyers in America* in the estate planning category. He was also named for the third consecutive year as a "Michigan Super Lawyer" in the estate planning area.

Keeping current on the law and estate planning techniques is a top priority. However, constant reading of professional journals and daily e-mail news alerts is not enough.

All BSD&D estate planning attorneys and our probate legal assistant attend the annual Probate & Estate Planning Institute sponsored by the Institute of Continuing Legal Education. In addition, Bob Kass and Betty Carrie attended the three-day Notre Dame Tax & Estate Planning Conference in 2008, and Betty attended the University of Miami Heckerling Estate Planning Conference in Miami in January 2009. Bob also attended the three-day national meeting of the American College of Trusts and Estate Counsel, of which he is a Fellow, in Boca Raton, Florida in 2008.

The BSD&D-authored layman's guide to estate administration has been a huge success. *What Do We Do Now? A Practical Guide to Estate Administration for Widows, Widowers and Heirs* is being

updated for its second edition by Bob Kass and Yuh Suhn Kim, with publication expected in 2009. The book was a local author Borders Book Store best seller, and has been sold throughout the United States and overseas as well, from the UK to Guam. It is also used as a text book in legal assistant courses on estate administration throughout Michigan.

On the drawing board: *Estate Planning for Pet Owners*, a shorter guide for pet owners who want to provide for their pets after they are gone. Bob will team up with Betty Carrie for this publication.

Bob and Betty have recently assumed Co-Chair positions on the Taxation Section of the Detroit Metropolitan Bar Association. Bob is also an active member of the Board of Directors of the Planned Giving Round Table of Southeast Michigan, which educates charitable development officers, attorneys and financial professionals on charitable giving techniques. He also chairs the Speakers Bureau of LEAVE A LEGACY® Southeast Michigan, an organization which promotes charitable giving in Wills, Trusts and insurance and retirement plan beneficiary designations. If your organization is looking for a speaker on an estate planning or charitable giving topic, please contact Bob to arrange a complimentary speaker.

BSD&D Estate & Financial Planning Insights is a publication of the law firm of Barris, Sott, Denn & Driker, PLLC, and is provided as an educational service to our current and former clients and friends. The fact that you have received this newsletter does not necessarily mean that you are currently a client of our law firm, as generally our representation ends when we conclude your estate planning. However, we welcome the opportunity to serve you again on other matters or to review and/or update your plan. The information provided in this newsletter does not constitute legal advice, and should not be relied upon as the basis for your own estate planning or investments. Estate planning advice must be tailored for each case.

Please contact us at 313.965.9725 to discuss your particular situation.

*Photos of Skyline of Detroit, Yuh Suhn Kim and Hayley Rohn-Davé by Mishka Photography, Farmington Hills, Michigan, www.mishkaphotography.com, and used by permission.*

*Photo from Diego Rivera mural at DIA by Bob Kass.*