

**By: Randall A. Denha \*\*\***

While there are a variety of reasons why people decide to meet with an estate planning attorney, I have found the ones listed below to be the top five.

1. **Avoiding Probate or the dreaded “Hakuma” (i.e. government)**

This by far seems to be the most common reason why people seek out the advice of an estate planning attorney. While many have never even dealt with probate, they still know one thing: they want to avoid it. This stems from probate horror stories covered by the media or told by neighbors, friends or business associates. Suffice it to say that for the vast majority of people, avoiding probate is a very good reason for creating a foundational estate plan and can be easily achieved.

2. **Reducing Estate Taxes**

The significant loss of one's estate to the payment of state and/or federal taxes is a great motivator for putting an estate plan together. Through the most basic planning, married couples can reduce or even possibly eliminate estate taxes altogether by setting up relatively simple Trusts as part of their estate plan. In addition, a variety of advanced techniques can be used by both married couples and individuals to make the tax bill less burdensome or completely go away.

3. **Avoiding a Mess**

Many clients seek the advice of an estate planning attorney after personally experiencing, or seeing a close friend or business associate experience, a significant waste of time and money due to a loved one's failure to make an estate plan. Choosing someone to be in charge after your death and deciding who will get what, when they will get it, and how they will get it goes a long way towards avoiding family fights and costly court proceedings.

4. **Protecting Beneficiaries**

There are two main reasons why people put together an estate plan in order to protect their ultimate beneficiaries: (a) protecting a minor beneficiary, and (b) protecting an adult beneficiary from bad decisions and outside influences. If the beneficiary is a minor, all states have laws that require someone to be appointed to oversee the minor's needs until the minor becomes a legal adult . You can prevent family discord and costly legal expenses by taking the time to designate a guardian and trustee for your minor beneficiary. If the beneficiary is already an adult but is bad at managing money or has an overbearing spouse or partner who you fear will squander the beneficiary's inheritance or take it in a divorce, then you can create a plan that will protect the beneficiary from their own bad decisions as well as those of others. I often recommend a beneficiary controlled trust in this instance or a trust where an independent trustee can control distributions for the benefit of a loved one without the risk of a creditor ever reaching this asset.

5. **Protecting Assets from Unforeseen Creditors**

In recent years, asset protection has become a very important reason why people, including those who already have an estate plan, are meeting with their estate planning attorney. Once you know or even just suspect that a lawsuit is on the horizon, it's too late to put a plan in place to protect your assets. Instead, you need to start with a sound financial plan and couple that with a comprehensive estate plan that will in turn protect your assets for the benefit of both you during

your lifetime and your beneficiaries after your death. You can also provide asset protection for your spouse, children and other beneficiaries through the use of special Trusts and your other beneficiaries through the use of lifetime trusts.

**\*\*\* RANDALL A. DENHA, J.D., LL.M., attended Wayne State University and graduated with a degree in Corporate Finance. After college, Mr. Denha then went to University of Detroit School of Law where he obtained his law degree. He then attended the University of Miami School of Law and completed a masters in law (LL.M.) in estate planning. The University of Miami is regarded as the premier school in the country for its program in estate planning. Randy is frequently called upon by both local and state publications to render an opinion or provide insight into planning techniques. Randy has hosted a radio program and has authored many articles in the estate planning arena on the importance of planning. Additionally, he is a former adjunct Professor at Oakland University's Personal Financial Planning Program where he taught estate planning for those wishing to obtain a Certified Financial Planning (CFP) degree. Mr. Denha also serves as General Counsel for both local and national organizations. Mr. Denha is also a member of the Bank of Michigan's Board of Directors, a member of the Board of Directors of Invescor, Ltd. (a national life settlement insurance provider) and volunteers his time to several community organizations.**