



APRIL 2022, ISSUE 8

YOUR TRUSTED LEGAL COUNSELOR



Follow me:



IN THIS ISSUE:

Estate Planning

1

Estate Planning
for Multi-
Generations

Money Talks

4

Thoughts on
Money and
Questions to
Consider

Financial Planning

5

Pop Quiz: Are
You Ready for
Your Future?

ESTATE PLANNING FOR MULTI-GENERATIONS

Written by Francine D. Ward

The Williams Group, an organization that assists families in having the tough conversation about wealth, found that 70% of inherited wealth is lost by the end of the second generation. By the end of the third generation, statistics have found that 90% of a family's wealth is depleted. Now is the time to avoid that happening to your wealth.

Initially, one assumes it's the fault of the tax planner, wealth manager, or trusts & estate lawyer. It's easy to blame someone else for the depletion of family wealth. But that hardly makes sense.

Continued on page 2

70%

OF INHERITED WEALTH IS
LOST BY THE END OF THE
SECOND GENERATION.

Reasons for Family Wealth Being Lost Are Many.

In fact, The Williams Group research reveals that only 5% can be blamed on "other causes," which include advisors. The major reason for wealth being lost over generations is the family. No one likes to hear that they are at fault, yet in my experience, if appropriate responsibility is not taken, nothing changes. I once heard, "If I'm not at fault, there is no solution." The Williams Group found that 60% of family wealth is lost due to a lack of communication and trust among family members. Twenty-five percent of family wealth is lost because of the failure to prepare heirs in how to handle wealth. Ten percent is lost because the family had no mission.



Who is an Heir?

While many people may understand who an heir is, I thought a simple definition might put us all on the same page. An heir is someone entitled to receive a decedent's assets when they die without a will. Each state identifies the people entitled to inherit based on the state's default plan called intestate. Most state laws consider spouses, children, and grandkids as heirs.

Lack of Communication and Trust are the Primary Reasons.

Invariably, the lack of communication and trust leads to unprepared heirs. Surveys show that fear is the #1 reason for lack of communication:

- Running out of money
- Creating an "entitlement mentality" in heirs
- Heirs squandering their inheritance
- Outsiders influencing heirs
- Not treating heirs "equally" and creating sibling rivalry
- How disclosure now might limit choices and changes in the future

When parents choose not to communicate information about their financial and estate planning goals, they set their heirs up for failure:

- Children don't understand why estate planning decisions were made.
- They don't understand that limitations placed on inheritance are designed to preserve and protect the inheritance.
- The children might interpret a promised inheritance as a license to be lazy and not live up to their potential while waiting for their big unearned win.

Take-Aways:

While having these difficult family conversations may be uncomfortable, it is essential if you don't want assets earmarked for future generations to be depleted. Below are some things for you to think about before talking with your family: Feel free to contact my office if you are interested in setting up a virtual family meeting. I'd be happy to facilitate this process with your loved ones.



THOUGHTS ON MONEY

Written by Francine D. Ward



When planning your financial future and that of your loved ones, you must first consider your thoughts about money and the role it plays in your life and theirs. These thoughts will impact how you view money and how you would like to pass your money on to the next generations. Ask yourself the following important questions as you begin to outline how you intend to leave your wealth to future generations.

Answering these questions is the first step to understanding the legacy you want to leave to your family. The next step is to meet with us to put that legacy into legally enforceable documents that will protect you and your family from whatever the future may hold.

Important Questions

- ✓ What does money mean to you?
- ✓ Are you concerned that you will run out of money?
- ✓ Are you comfortable telling your family about your plans for your wealth?
- ✓ What do you want to teach future generations about money?
- ✓ What does financial competency look like, and how can you help future generations develop it?
- ✓ Do you worry about creating an entitlement mentality among your children, grandchildren, and subsequent generations?
- ✓ If you leave a large sum of money, do you think future generations will squander it?
- ✓ Do you think outside influences will take advantage of your children and grandchildren if you leave them a large sum of money?
- ✓ Do you want to treat your children and grandchildren equally or fairly?

**JOIN MY EXCLUSIVE
FACEBOOK GROUP**



Click Here



Legal Friday
with Francine



FRANCINEWARD.COM INFO@FRANCINEWARD.COM 760.636.0066

INTELLECTUAL PROPERTY AND ESTATE PLANNING ATTORNEY



POP QUIZ:

Are You Ready For Your Future?

Written by Francine D. Ward



CAREER

#1 Are you currently working?

- Yes
- No (skip question #2 and go to question #3)

#2 If currently working, when do you see yourself retiring?

- In the next year
- In five years
- In ten years
- I plan to work until the day I die
- (skip to question #4)

#3 What do you want to do after you retire?

- Travel internationally and domestically
- Move closer to my family
- Dedicate more time to my hobbies
- Start a new career

FINANCES

#4 Which statement best describes your view on funding your lifestyle once you or your spouse reach the age of retirement?

- We both plan to work for the foreseeable future
- One of us will retire while the other continues working
- Only one spouse currently works, so when that spouse retires we will live on their retirement account/pension
- We will both retire at the same time and use our retirement accounts/pensions as income

#5 When do you plan to withdraw the required minimum distributions from your retirement account?

- I do not have a retirement account
- I am going to withdraw as soon as possible
- I am waiting as long as possible
- My financial advisor and I have determined the best time for me to start withdrawing

Continued on page 6



ESTATE PLANNING

#6 Have you chosen someone to make decisions for you if you are unable to make them for yourself and to wrap up your affairs when you pass away? Do you have a list of backup people?

- I have named my first-choice person and two backup people in my estate plan
- I have named my first-choice person and one backup person in my estate plan
- I have named only my first-choice person in my estate plan
- I know whom I want to name but I have not created official documents
- I do not know whom to choose



#7 How do you want your money and property divided at your death?

- I want everything to go to my spouse
- I want everything to go to my children from a previous relationship
- I want 50 percent to go to my spouse and 50 percent to go to my children from a previous relationship
- Other: _____
- I do not know

#8 If you're leaving money/property to your spouse, how do you want them to receive it?

- I want it to go to my spouse directly so they can use it as they see fit
- I want the money and property to go into a trust for my spouse's benefit
- so it is protected from creditors and predators but also allows my spouse to meet all of their ongoing needs
- I want the money and property to go into a trust for my spouse's benefit but with strict rules about what the money and property can be used for because I want what is left over to go to someone else

What's Next?

Your next step is to take your quiz results to your advisor team (financial advisor, certified public accountant, estate planning attorney, etc.) to ensure that your accounts and property are in order so that you can be properly provided for and protected. This person or team can assist you with working through these areas and crafting financial and estate plans that further your financial goals.

Lessons Learned From Jimi Hendrix

Written by Francine D. Ward

It is not unusual to read about the estates of famous musicians that sue other estates (or individuals) for royalties they believe are owed to them.

In December 2021, the estates of former band members of the Jimi Hendrix Experience (JHE) approached the estate of Jimi Hendrix and Sony Music requesting royalties they felt they were due. They claimed they were entitled to unpaid royalties and damages for the use of JHE's music, without their permission. The estate of Jimi Hendrix responded with a federal lawsuit in the US District Court for the Southern District of New York. The lawsuit requested a declaration from the court stating that Noel Redding and Mitch Mitchell were not entitled to anything. The court held that in an earlier dispute, Redding and Mitchell had released Jimi Hendrix's estate from all legal claims, which essentially granted Redding and Mitchell no rights in the JHE music catalogue.

Lesson 1: Know Your Rights

Not knowing your rights is like entering a dark cave without a flashlight. Musicians, like other content creators, may have different rights depending on the contributions they make. Sadly, many musicians don't realize the value of their contribution until it's too late. That was a pitfall Redding and Mitchell faced in the Jimi Hendrix lawsuit. The same issue occurs with authors.

They enter into discussions about ownership of rights, royalties, and revenue splits before understanding their rights. If you contribute anything to the creation of music, e.g., adding to the composition of the song, adding to the lyrics, playing an instrument, performing, recording music using your equipment, creating the cover art, know your rights.



Continued on page 8

One last thing, sometimes creators mistakenly believe because they didn't sign a document that they didn't enter into a contract. **WRONG!** In most states, oral declarations can be considered valid and enforceable agreements. Know your rights.

Lesson 2: Read and Understand Agreements BEFORE signing.

Being a rock star isn't all glitz and glam. Sometimes you've got to read the fine print. As many on the losing end of a lawsuit will confirm, the devil is in the details. Accordingly, it is important that you take the time to read and understand any agreement before you sign it. If you are unsure of a particular term or a clause, or its impact on your rights, then you should seek independent legal advice (see lesson 5 below). Don't be pressured into signing anything that you haven't had a chance to properly consider in detail.

In the Jimi Hendrix lawsuit, lawyers acting on behalf of the estates of Noel Redding and Mitch Mitchell allege that the two musicians (both 20 years of age at the time, and then considered minors under UK law) entered into their recording agreement in circumstances of undue influence. Too bad they didn't have competent advisors before signing away their rights.



Lesson 3: Get Your Own Lawyer

Don't believe when the other band members say, "It's cheaper if we use the same lawyer." (Cheaper now but really expensive later). Or when the manager says, "I have a lawyer for you," or "I can handle this for the whole band." You want someone who can act in your best interest. The interests of the group's lawyer or manager is **ALWAYS** in conflict with an individual member's interests. Noel Redding and Mitch Mitchell made the mistake of believing their manager had their best interest at heart. They each needed independent counsel.

Lesson 4: Technology Changes the Game.

In 1967, when, *Are You Experienced*, JHE's debut album was released, no one could have imagined that 50 years later it would have the kind of popularity it has enjoyed. Such popularity could not have been imagined even ten years ago. Technology (particularly streaming) has changed the game and continues to do so. Something for creative content providers to keep in mind, as they negotiate contracts.

Lesson 5: Have an understanding of Copyright Law.

A copyright lasts for the lifetime of a copyright owner plus 70 years. That may seem like a long time, but it really isn't when we think of future generations. A performer's sound recording copyright lasts for 70 years from the date the recording was first released. This is essential to remember when entering into any contract that addresses your rights. You never know how successful your work will become. Protect yourself now!



A WORD FROM YOUR

Trusted Legal Counselor

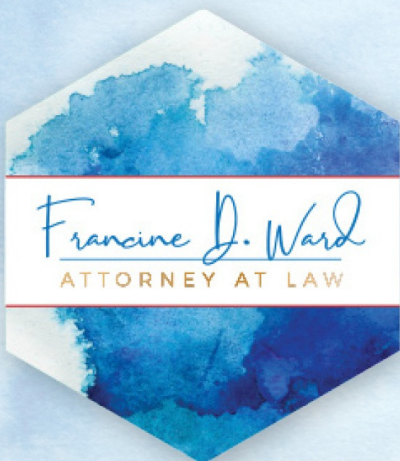


Written by Francine D. Ward

Having an open heart is an **Esteemable Act**. When you do good, you feel good. And, while you feel good about yourself when you give to others, there are many more reasons for **cultivating** the consciousness of giving.

When you have a consciousness of giving, opportunities to give will always present themselves. Be open and they will find you. You could be walking down the street and see an opportunity to be of service. You could be at work and see the opportunity to help someone. You could be in traffic or in line at the supermarket and come face-to-face with the opportunity to serve.

When we are open and receptive, they show up. Opportunities abound. Everywhere we go, people and situations cry out for a little loving kindness. If you are not sure what to do, start small. Here is a short list of things to do: Open the door for someone, give someone a seat on the bus or subway, call someone who is alone or who experienced a recent loss, pay someone's toll, add coins to someone's meter, offer to shop or do laundry, send a card, volunteer your time, and if you can, pay a small bill. The list is endless. Do something. Go beyond your comfort zone. Stretch yourself. Your Esteemable Acts will pay handsomely.



COPYRIGHT LAW
TRADEMARK LAW
PUBLISHING LAW
TRUSTS AND ESTATES

WWW.FRANCINEWARD.COM
INFO@FRANCINEWARD.COM
760.636.0066

