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## Announcements

### Foley & Foley Renamed Foley, Foley & Pearson

Richard and Susan Foley are pleased to announce that William M. Pearson has become a named shareholder in the firm. Our name has changed to Foley, Foley & Pearson, P.C. Bill has been with the firm for nine years and has been a shareholder, officer, and director since 2010.

We are also announcing that Susan Foley has significantly reduced her office hours and will be meeting with clients on a limited basis. Richard and Bill have taken over the majority of Susan's case load. Susan will continue to be a shareholder, officer, and director of the firm, providing management and oversight of operations.

Foley, Foley & Pearson, P.C. is committed to an orderly succession of our business to the next generation of lawyers so that our clients can continue to expect excellent representation and assistance for years to come.

### YLS Covenant House Clothing Drive

The Young Lawyer's Section of the Anchorage Bar Association annually sponsors a Professional Clothing Drive for Covenant House of Anchorage. As in prior years, items may be dropped off at Foley, Foley & Pearson.

All sizes of office appropriate clothing, shoes, and accessories are needed to build adequate work wardrobes for Covenant House teens. In particular demand are: men's pants and shirts; accessories like belts, purses, and earrings; and shoes. Donations will be accepted December 6 through December 19.

Each year, the Covenant House serves hundreds of homeless teens and young adults, providing services to help keep them off the streets. These tax-deductible donations are one important way we can contribute to their success.

A Newsletter from Foley, Foley & Pearson, P.C.

## Generations

For our clients and our professional estate planning partners



### Successor Trustee Workshop Update \*\*\*

Traditionally, Foley, Foley & Pearson has held a successor trustee workshop in December so our *Generations* clients can help their children and successor fiduciaries learn about trust administration. This year we will not hold the workshop; instead, we suggest our clients hold a family meeting to educate the next generation. We encourage you to make us a part of the meeting so we can help explain your estate plan. We will be holding a client appreciation reception in the spring of 2014 for our *Generations* clients and their families. Watch for more information in our upcoming *Generations* Newsletters.

## The Family Meeting

### An Essential Part of Your Estate Plan

Perhaps the biggest risk to a well-organized estate plan is the ignorance that arises from poor communication and the lack of a basic understanding of how estates are administered.

Most people never disclose the estate planning decisions they have made during their lifetime to loved ones, successor trustees, executors, and agents. Those left behind can only imagine what the deceased family member really wanted. In addition, surviving family members are often unaware of whether estate planning documents have even been prepared, much less where they are located. There are countless stories of families unable to find the will that mom or dad mentioned to some, but not all, of the children. This leaves everyone in the dark; the unfortunate result is often misunderstanding and conflict.

A good estate plan, whether organized around a will or a trust, requires a certain amount of knowledge about the process of administering the estate and how the various legal documents work. Most family members lack even a basic



understanding of the estate administration process and rely on what they have learned from Hollywood movies and false assumptions. It is surprising how many families try to decipher the final wishes of parents based on long past conversations, cryptic notes, family traditions, and personal perceptions of fairness. This is a recipe for disaster.

The attorneys at Foley, Foley & Pearson have long advocated holding family meetings to ensure that children, trustees, key advisors, agents, and managers understand our clients' wishes and know

*Continued on Page 2*

*In This Issue: Successor Trustee Workshop... The Family Meeting... Choose Your Charities Wisely... Tips on Handling Telemarketers... and Announcements...*

## The Family Meeting

*Continued from Page 1*

where the important estate planning documents are located. That is why we suggest our **Generations** clients hold family meetings with an attorney who can answer questions about the legal documents and explain the responsibilities of successor trustees, personal representatives, health care decision makers, and agents. We also host free workshops and seminars, to better explain how wills and trusts work and how they are administered. Here are some of the basic issues a family meeting with an attorney can address:

- \* Identify each of the legal documents (Trust, Will, Power of Attorney, Health Care Directive, Community Property Agreement) and explain the purpose of each document. Discuss where the legal documents will be located and how the family can locate the documents quickly at the time of death or disability.

- \* Educate the successor trustees, personal representatives, and agents about their responsibilities when administering an estate and explain the steps to be taken to complete the administration.

- \* Assure family members they have the right to know what is going on at each stage of the administration and explain to family members who will serve as agents their responsibility to keep everyone informed of the administration progress.

- \* Explain the purpose and function of the professional advisors who will

be needed to help the fiduciaries perform their duties and discuss the fees and costs associated with using professional advisors to assist in the estate administration.

- \* If desired, the attorney can help the senior generation explain the decisions they have made. For in-

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stance, why did they select agents in the order named? Why was one family member named as an agent while another wasn't? Why were the agents named in a certain order or required to work as a team?

- \* Identify all assets and the estate value and describe how the assets will be distributed and protected for future generations.

- \* Identify difficult assets that might need to be handled in a special way, like the home, family business, or "one-of-a-kind" family heirlooms.

- \* Explain why an inheritance was left in one or more trusts rather than outright and demonstrate why that decision was a wise one and not simply arbitrary.

- \* Build and strengthen family ties and relationships through communication, education, and explanation. Build relationships between key advisors and the next generation.

- \* Communicate important family values from the older generation to the younger generations.

- \* Answer questions from children and fiduciaries so that everyone feels comfortable about the plan and how the decisions were made.

We like to talk with our clients prior to the family meeting to ensure that we cover all of the issues they desire and that details they prefer not to share with everyone are not discussed. Sometimes our clients worry about raising these issues for fear it will create conflicts and hurt feelings. In fact, this is exactly what may happen if the senior generation leaves behind a plan the children know nothing about. Communication can help children understand that their parents' decisions were purposeful and carefully considered, based on good counsel. If there is no communication during lifetime, children may try to undermine some aspects of the plan, feeling that the parents made the wrong decisions

A family meeting can prevent an unfortunate result.

because they didn't fully understand their implications. A family meeting may prevent this unfortunate result.

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*If you are a **Generations** client and you want to hold a family meeting, contact our office to schedule a time for your family meeting. If everyone isn't available locally, some of your family members and fiduciaries may participate in a conference call.*

## Choose Your Charities Wisely

The Tampa Bay Times and the Center for Investigative Reporting have recently completed a year long study regarding what they are calling "America's Worst Charities." A complete report can be found at [www.tampabay.com](http://www.tampabay.com). The findings of the investigation include:

- The 50 worst charities in the United States devote less than 4% of donations raised to direct cash aid. The worst charities on the list give less. For example, the worst charity on the list, Kids Wish Network (which seems to be intentionally named to create confusion with the Make-A-Wish Foundation) raised \$127.8 million over the last ten years and gave \$109.8 million to its fundraising solicitors. Kids Wish Network devoted only 2.5% of its receipts to direct aid.

- Some nonprofits are essentially fronts for fundraising companies. The fundraising companies bankroll the nonprofits' startup costs, lock them into contracts with exorbitant fees, and in some cases actually drive the charities into debt.

- The 50 worst charities in the study raised more than \$1.3 billion over the past decade and paid nearly \$1 billion of that directly to the fundraising companies.

A consistent theme of the study was that the worst charities utilize aggressive telemarketing contractors to raise money. These contractors charge 90% or more of all money that is raised for the charity.

Many of our clients generously donate their time and money to chari-

ties. They also have included significant planned gifts to charity in their estate plans. We support and encourage our clients who want to include philanthropy and charitable giving in their legacies.



The Tampa Bay Times article clearly demonstrates that many charities are not utilizing donations properly. We recommend that givers do some homework to evaluate how much of each dollar donated actually goes to charitable purposes rather than fundraising, salaries, and overhead.

## Five Tips on Handling Charity Telemarketers

*Courtesy of the Tampa Bay Times*

1. **FIND OUT EXACTLY WHO'S CALLING.** Ask if the caller is a paid telemarketer. Get the exact name and location of the charity he or she represents. Beware of charities that mimic the names of well-established groups and of claims that you've given before to a charity you've never heard of.
2. **FIND OUT EXACTLY WHERE YOUR DONATION WILL GO.** How much gets to the charity? How much does the fundraiser keep? Don't let them brush your questions off with generalities. They know the exact percentage. Make them tell you.
3. **FIND OUT WHAT THEY DO WITH YOUR MONEY.** Ask for examples of the charity's good deeds. Beware of vague claims like "promoting awareness" or "educating the public." If the group claims to help a local veterans' hospital or children's burn camp, check it out. Call the local nonprofit that supposedly benefits and ask if it has ever heard of the charity that's asking for your donation.
4. **IF YOU GET A CALL, KNOW THERE'S A COST.** Cold-calling donors is one of the most expensive ways to raise money. Charities that use paid telemarketers often let the fundraisers keep 80 to 90 cents of every dollar raised. Most of the money you think is going to needy veterans or dying kids is paying telemarketers' overhead and profit.
5. **HANG UP AND GIVE DIRECTLY.** If you get a call and want to give, don't hand over your credit card number or start writing a check. Hang up and do some homework. A few quick Internet searches can uncover charities that have been criticized for high fundraising costs or unfulfilled promises. If the charity meets your standards, contact it directly. More of your donation will go to the cause you care about.