

Don't fall for big-money scam



Beyond the Business

By PENNY LAURITZEN

LOYAL was sure Ruth would be as excited as he was. She wasn't there when the mail came, but the letter said they had won \$625,000 in the Spanish lottery.

Ruth couldn't believe their good fortune. She immediately started a "list" of things she wanted to do for the grandchildren.

The letter required a phone call to a number in Spain. Ruth was sure that would be expensive, but certainly worth it to claim their prize. Loyal started to call the kids before they made the call to Spain, but Ruth objected. She wanted to keep it a surprise.

They got on both phones after Loyal made the call, just like they did when they called the kids. Ruth made notes as the man explained that they would have to come to Spain to claim their prize money. Since Loyal had just had foot surgery, he responded that it was impossible for them to travel.

The man from Spain hesitated. Well, he wasn't certain, but maybe they could make some arrangements to get the money to them. He would check into the options and Loyal should call back the next day.

Ruth was so disappointed. She was sure she would have to throw away her "list." She had thought they were actually going to have a chance to help the grandkids in ways they hadn't been able to help their own kids as they were growing up. Britney needed some more money for a house down payment;

Key Points

- The adage "If it sounds too good to be true, it probably is" still holds.
- Always check on validity of prizes before sending money up front.
- Report any potential scams to authorities and assist in follow-up.

Shelley was trying to get a car bought; and Matthew was leaving for college. All of them would appreciate a little help from Grandma and Grandpa.

Con game

The next day Loyal made the call and Ruth got on the other phone right away. Again, she took notes. The man explained that one of their people could bring the funds to them, but it would cost \$19,600 to make the arrangements for the release of the funds and travel to the United States. Loyal hesitated, but the man emphasized that he needed to know as the time to claim their winnings was running short. Ruth spoke up to say "yes" they would send the money.

A week later they got a call that the man was on his way. He had arrived in New York City, but they needed to send \$4,200 more to get him through customs and on his way to Chicago. Ruth was standing in the middle of the kitchen, almost in tears. She could tell by Loyal's hesitancy that he was unsure, yet they had already "invested" \$19,600.

Loyal finally agreed and they took the check to the mailbox. Their enthusiasm and excitement over this windfall was beginning to diminish. Ruth was not sleeping well. She was close to tears all the time. The doctor had even com-

mented on Loyal's appearance when he was in to have his foot checked.

They waited anxiously for the man to call from Chicago. Finally, Friday afternoon, the call came. He was through, but an additional \$3,500 was needed to get the funds released and get a new plane ticket as the man had missed his flight out of New York.

Stop and think

Loyal turned away from the phone sadly. No, he wasn't going to send any more money. He had a bad feeling in the pit of his stomach — the gut feeling that they had just been taken for over \$20,000. Ruth was in tears.

Loyal decided that they had made a mistake. They could have talked this over with the kids before they started to send money. Maybe they should have even taken it to the state's attorney to look into it before they started to send money. They definitely would get some advice before they ever turned that much money over to a stranger again.

They finally decided they had to tell the kids over the weekend and then go to their state's attorney Monday morning. This must be checked out. If it was an illegal scam, they needed to do their part to get it stopped.

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Like to comment?

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The Best of Captain Stubby Says

■ Autumn is the season of change. The leaves are turning from green to gold, and the TV shows are turning from bad to worse!

■ I took my car to my mechanic last week to get it ready for winter. I asked what it would cost to fix it. He asked, "What's wrong with it?" I said, "I don't know." He said, "\$376.46."

■ I was talking to my little granddaughter Lisa and asked her if she said her prayers the night before. "Well, I got down on my knees to say my prayers, then I got to thinking: I'll bet God gets tired of hearing the same old prayer every night. So I just told him the story of the Three Bears."

■ The new cars are out this month. It makes sense to buy a small car. For one thing they're easier to push.

■ So far our local football team is the surprise of the season: They're worse than anybody thought.

■ At school, the teacher asked Lisa, "If I gave you \$2 and your grandpa gave you \$2, how much would you have?" Lisa said, "\$2." The teacher said, "Lisa, you don't know your math very well." Lisa said, "No, you don't know my grandpa very well."

■ I asked uncle Hopper Green, age 92, how he was feeling. He said, "Thank goodness I've still got my health. I don't think I could stand all these aches if I weren't feelin' good."

Editor's note: To buy Captain Stubby CDs, write to Captain Stubby, P.O. Box 100, Young America, IN 46998.

Living trusts stack up nicely against traditional wills



Estate-Plan Edge

By CURT FERGUSON

WHICH is better: a will or living trust? I generally go out of my way to avoid taking a position on this complex question; however, there are clear differences and, for most people, advantages to using ordinary, revocable living trusts.

Basic differences

Wills and living trusts are merely written instructions for what you want done with the things you own when you don't need them any more (i.e., after you pass away). Yet, they are very different legal instruments administered in very different ways.

A will is a written document stating your desires for the division and distribution of your estate at your death. It only speaks when you die. It is governed by property and probate law.

A living trust is an agreement — a contract — you sign while living. It takes effect while you are living. You are the trustmaker, and you agree to serve as the trustee for as long as you can; you name someone else in the agreement to step in as trustee when you become disabled or die. The trust property is to

be used for your benefit while living and for the benefit of others when you die. Trusts are enforced and administered according to contract law.

You can amend a will or a living trust anytime while you are living. Both allow you to still do anything you want with your own property. You don't give up any control of your property.

Which is more complicated?

Living trusts have the reputation of being more complicated than wills. That's just not true. Using a will to accomplish your objectives is actually more complicated than using a living trust. Let me explain.

Whatever goals you have for your family and property (who gets what, when they get it and how they get it) can be included in either document. Because of the complex nature of the subject, you need legal counsel to help you develop and clarify your goals before preparing either one. Complexity is equal.

A critical step in estate planning is to retitle your assets to follow your plan. Attorneys call this "funding" the plan. The need to properly title assets so the plan will work applies to both wills and trusts. Complexity is still equal.

When death occurs, for the will to work it must go through the pro-

bate court process. While probate has become more streamlined over the years, any activities that must go through court are going to involve more red tape than if, as with a living trust, you can perform those activities without going to court. That extra complexity shows up in extra legal fees. You will still incur legal fees administering a trust after death, but the trust fees should be lower. Trust is less complex.

Wills without probate

Sometimes a will-based plan doesn't require probate. In that case, one might think that the will plan ends up being less complicated than a trust. Not so!

The will avoids probate only if the will does not control your estate. For example, instead of letting your assets pass according to your will, you use alternatives like these: life estate deeds; beneficiary designations to individuals on life insurance, annuities and IRAs; transfer on death designations on CDs and investment accounts; and titling assets in joint ownership with rights of survivorship.

While these alternatives can avoid probate, the property also avoids your will. If you try to do your planning this way, you end up with many mini-estate-plans (one for each asset) instead of one comprehensive plan. Every asset is

directed by its own title instead of by a single, comprehensive planning document (the will or trust).

As circumstances change in life, instead of just changing your will you have to change every one of your "mini-plans" too. This can become a nightmare. I've observed numerous estate settlements where an ex-wife or estranged children still got part of a deceased person's estate because the decedent forgot to change the beneficiaries on life insurance or an annuity. Not pretty!

Some of these probate alternatives are also irrevocable. If you add an heir as joint owner or you sign a life estate deed to them, you cannot undo that transaction. You've given up control and the ability to change your plan on that asset.

Conclusion

Not only are living trusts a less complicated and less expensive way to accomplish your estate-planning goals, but they also offer advantages of privacy and more clarity and control in case of your disability.

Planning is much more than documents, of course; however, using the right documents helps.

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