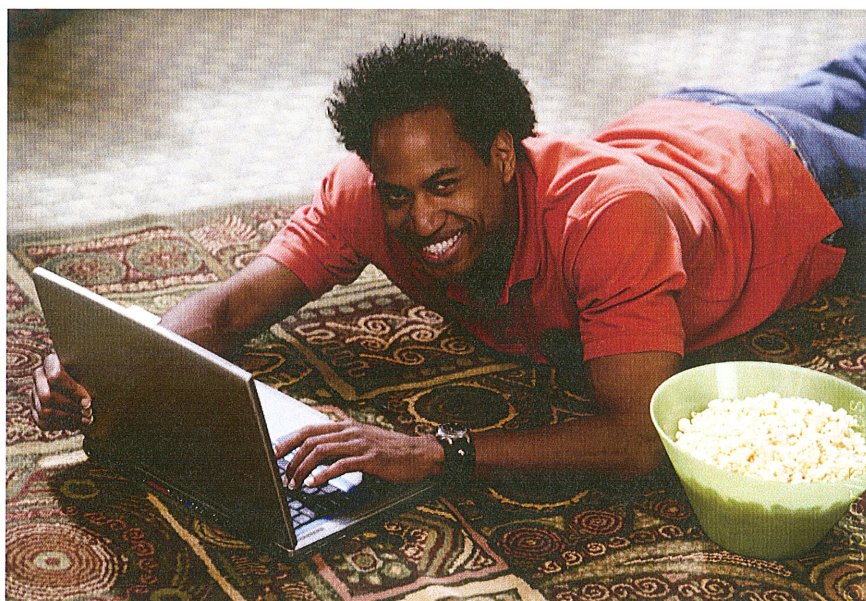


SOLO SOLUTIONS

If you are single, you are in good company. Nearly half of all adult Americans are single. Being single can mean considerable personal and economic freedom. Nevertheless, just like your married counterparts, proper Life & Estate Planning is necessary to keep you in control.



Incapacity & The Law

Every adult American is responsible for making his or her own personal, health care, and financial decisions. In fact, you may take many basic decisions for granted. For example, you decide where to live, what medical care is appropriate and how to manage your finances. But what if an illness or injury left you unable to make even these basic decisions? Who would make such decisions for you? Who would have your best interests at heart?

Proper Life & Estate Planning is required in advance of your incapacity, if you want to appoint your own decision-maker.

Otherwise, by default you could find yourself in the Probate Court in a legal process that typically employs three lawyers and makes your private personal, health care, and financial circumstances a matter of public record.

Minor Children

Do you have minor children (i.e., under age 18 in most states)? If so, you probably invest considerable time and money to provide them with a moral, safe, and secure home environment. What if you died while they were still minors? Who would rear them to adulthood? Who would provide the moral, safe, and secure home

INSIDE

Singles comprise nearly half of the adult American population. Whether never married, widowed, or divorced, single adults face unique Life & Estate Planning issues. In this issue of our newsletter we focus on the challenges from a singular perspective.

On page three we examine Premarital Planning and offer some practical pointers regarding important financial and legal matters that you will want to consider whether you are getting married or remarried, before you tie-the-knot.

environment? Unless you want a Probate Judge to make the selection for you, proper Life & Estate Planning is required.

Who would manage their inheritance until they reach adulthood? Again, that decision would be made by a Probate Judge, in the absence of proper Life & Estate Planning by you.

If you are divorced, the Probate Court will, absent a showing of unfitness, appoint the surviving biological parent not only to rear the children to adulthood, but also to manage their inheritance. Perhaps worse, if the surviving biological parent then survives

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PREMARITAL PLANNING

Are you or someone you know planning to get married? If so, you should consider some of the important financial and legal consequences of exchanging vows before the big day.

Premarital Agreements

Whether you are single, widowed or divorced, you might want to consider executing a Premarital Agreement with your intended before you say *I do*. Legally speaking, a Premarital Agreement is a two-party contract made in contemplation of marriage and is effective upon solemnization of the marriage. Practically speaking, it allows prospective spouses to agree in advance to such things as:

- Asset ownership during the marriage;
- Asset disposition upon death;
- Asset division upon divorce; and
- Spousal support.

To help ensure that your Premarital Agreement withstands future legal challenges to its terms, here are some points to remember:

- Provide full, written disclosure of all assets by both parties;
- Provide adequate time for negotiation and reflection (i.e., well in advance of the wedding day);
- Make sure the Agreement is entered into voluntarily and the provisions are not unconscionable (e.g., unfair);
- Make sure each party understands the provisions; and
- Make sure each party has independent legal representation.

While perhaps not very romantic, a properly drafted Premarital Agreement can protect family wealth and the interests of other family members in such wealth (e.g., family business ownership). In some circumstances, it also can help determine whether money is a primary motivating factor in the relationship before it is too late. Love may be blind, but you should approach marriage with both eyes wide open.

Yours, Mine & Ours

If your marriage would create a Blended Family, then careful estate planning may be required to reach often-competing goals. For example, in the event of your death, how would you provide for the financial needs of your surviving spouse, and for your own children?

Careful coordination between your financial planning and your estate plan can help. One possible strategy could be called the *Triple Play*. Here's how it works:

First, you and your spouse-to-be execute a Premarital Agreement identifying and separating your respective assets. This allows each of you to retain control over the post-mortem disposition of the identified assets.

Second, you create a *QTIP Trust* as part of your estate plan. Upon your death, this Trust provides income for your surviving spouse. Upon their death, the assets are then held and administered for your own children.



Finally, a Life Insurance policy can provide the funds needed to fuel the *QTIP Trust* and/or Trusts for your own children upon your death.

Summary

Enjoy all of the romance and excitement of your upcoming wedding day. As part of your preparations, be sure to evaluate the financial, tax, and family challenges with qualified counsel.

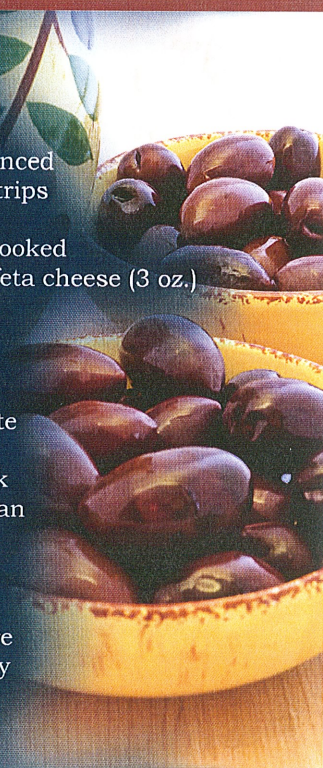
HOME-COOKED GOODNESS

Rigatoni With Bell Peppers, Olives, and Feta

- | | |
|--------------------------------|-------------------------------------|
| 1/4 C. chopped kalamata olives | 4 cloves garlic, minced |
| 1/4 C. Italian parsley, minced | 4 C. bell pepper strips |
| 1/4 tsp. salt | 1/2 C. water |
| 1/8 tsp. crushed red pepper | 1 lb. rigatoni, uncooked |
| 2 tsp. olive oil | 3/4 C. crumbled feta cheese (3 oz.) |
| 2 C. thinly sliced onion | |

Combine kalamata olives, parsley, salt and crushed red pepper in a small bowl; set aside. Heat oil in a large skillet over medium-high heat. Add onion; saute three minutes or until tender. Add garlic; cook one minute. Stir in peppers. Cover; reduce heat and cook ten minutes. Add 1/2 cup water; cover and simmer an additional five to seven minutes or until peppers are tender. Stir in olive mixture and keep warm.

Meanwhile, cook pasta according to package directions. Drain. Combine pasta and pepper mixture in a large bowl; toss well. Add feta cheese; toss gently to coat. Makes four servings.



continued from page 1

your children, they ultimately could receive the inheritance ... along with their new spouse and stepchildren!

Your Valuables

Is family harmony important to you? Whether it is *grandma's yellow pie pan*, antique furniture or that Civil War sword, such items should be identified in your Life & Estate Plan along with the designated recipient of your own selection. Otherwise, your valuables could end up in the hands of the wrong loved one or sold to a perfect stranger in an Estate Sale. Either way, relationships between and among your loved ones could be bruised or battered unnecessarily.

Death, Taxes & Trusts

Benjamin Franklin noted that there are only two certainties in life: *Death & Taxes*. While there is little we can do to avoid the former, proper estate tax planning can minimize the latter. One of the best kept secrets for reducing Federal Estate Taxes is giving while you are living. Such giving leverages the **Annual Gift**

Exclusion (AGE) that is available to every taxpayer.

Under the AGE, each taxpayer may give \$13,000 each year to as many people as they wish. This wealth transfer does not trigger gift taxes to the donor or to the donee. Additionally, any future increase in the value of the gifted asset is not included in the donor's estate for determining Federal Estate Taxes later on. For this reason, gifts of appreciated assets (e.g., stock that is rapidly going up in value) are popular. [Note: Legal counsel should be sought before making AGE gifts

because of important capital gains considerations.]

Are your likely beneficiaries young, inexperienced or perhaps irresponsible? If so, various Trusts can be created to protect your AGE gifts from their potential divorces, lawsuits, bankruptcies, or good, old-fashioned squandering.

Through carefully drafted Trusts you can control how and when the gifted assets are made available to your beneficiaries. As legendary jurist Oliver Wendell Holmes put it: *Put not your trust in money, but put your money in trust.*



Word Puzzler

Search this scrambler for words related to "Solo Solutions."

Adult	Avoid
Children	Control
Decisions	Divorces
Financial	Freedom
Gifts	Half
Harmony	Incapacity
Inheritance	Injury
Lawyers	Medical
Planning	Process
Secure	Single
Taxes	Trusts

N S S E C O R P C S X M I I R
S E C R O V I D T O O M N R L
V N N Y C L N S S D N C H L D
V Y M N C L U R E F A T E S W
M F W O B R E E I P W T R N F
W W G M T Y R N A V F H I O V
Y L L R W F A C Z L L Z T I L
Y P L A N N I N G G A N A S E
A R L H C T Q D Q P H P N I R
D Y U I Y K K Z P T S R C C U
U V A J G Q Q K X F A T E E C
L L J K N S I N G L E X F D E
T G K B K I B A V O I D E I S
G R M Z W L A C I D E M Y S G
N E R D L I H C X P W N L G K

**"The price of
anything is the
amount of life you
exchange for it."**

**— Henry David
Thoreau**

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Note: Nothing in this publication is intended or written to be used, and cannot be used by any person for the purpose of avoiding tax penalties regarding any transactions or matters addressed herein. You should always seek advice from independent tax advisors regarding the same. [see IRS Circular 230.]
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