



4TH QUARTER *Brief*

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What Can a Will Do for You?

It's hard to believe, but we still hear about many instances where relatively affluent individuals die without ever having created a will. Or, if a will exists, it isn't valid due to an oversight that could easily have been corrected.

Starting point: Virtually every adult needs a will. First of all, if you should pass away without having a legally enforceable will in place, your assets will be distributed according to the applicable state's intestacy laws—no matter what your real intentions may have been. For instance, that could mean that half your estate will go to your children, despite the pressing financial needs of a surviving spouse.

Furthermore, a will may be designed to provide the maximum benefits available under estate-tax law. This is especially important during this current period of

estate-tax law uncertainty. It may also be used to appoint a guardian for minor children, name an executor of the estate and establish legal domicile in a state—just to name a few common objectives. Finally, a will can be used to tie up “loose ends” of your estate.

Of course, your situation may likely warrant sophisticated estate-planning techniques that go far beyond the existence of a simple will. But at least the will can provide a solid foundation for a comprehensive estate plan. Here are three basic steps for getting started:

1. Do your homework. Before you have a will drawn up by an attorney, take some time to analyze the assets comprising your estate and the needs of your beneficiaries. This groundwork will ensure that the resulting will is a complete and accurate document. It

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Highlights of New Financial Reform Law

On July 21, 2010, the president signed the “Dodd-Frank Wall Street Reform and Consumer Protection Act” into law. This new federal legislation, which encompasses more than 2,300 pages, includes some of the most significant financial reforms in decades. Here's a brief summary of the key changes for consumers:

*A newly designed Federal Reserve bureau will protect consumers from unreasonable lending practices, hidden credit card fees and other abuses. The new law consolidates oversight of mortgages, credit cards and student loans. Previously, consumer protection was left to a variety of bank regulators.

*Several provisions offer mortgage protection to consumers. For instance, lenders can no longer assess prepayment penalties and must disclose the maximum payments for adjustable rate mortgages. The new law also prohibits mortgage brokers from receiving bonuses based on the type of loans they make. Finally, lenders cannot approve loans unless the borrower provides

adequate documentation.

*Complex financial products known as derivatives are often used for speculative purposes without proper regulation. The Dodd-Frank Act generally requires derivatives to be traded on transparent exchanges.

*Previously, bad loans were sold into a secondary market, where they could be pooled with other loans and sold as mortgage bonds. Thus, the risk associated with a bad loan was passed along to unsuspecting investors. The Dodd-Frank Act requires lenders to retain 5% of the risk.

*Credit agencies that provide bad advice may be held liable for investor losses. The agencies must register with the Securities and Exchange Commission (SEC).

*Shareholders will be granted nonbinding voting rights for executive compensation packages. The Federal Reserve will supervise the process.

*Limits are placed on fees that banks can charge

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should also reflect your intentions about distributing your wealth.

2. Divide the spoils. As mentioned earlier, if you die without a legally enforceable will, the state effectively determines who your beneficiaries will be. A will, on the other hand, allows you to control which individuals will receive particular assets. After taking inventory of your assets, write down who your beneficiaries will be and what types and amounts of property you wish to pass along to each one. At this point you may consider various trusts and similar arrangements to ensure that certain assets are transferred in a tax-efficient manner.

3. Stay up-to-date. Naturally, you may have had a will drawn up years ago—for example, when your children were born or when you purchased a home. At that time, you might have been satisfied that the will was sufficient for your needs. But now your will may no longer afford you the protection and flexibility it once did, especially if your circumstances have been affected by changes in the estate-tax law or other events (e.g., death of a spouse).

Can you do it by yourself? You may be able to fill in the blanks from a book or a Web site, but then the potential risks for future legal problems will increase. Play it safe by consulting an attorney experienced in estate-planning matters.

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merchants who accept debit cards. Retailers may pass the savings onto their customers or keep them.

*If you are denied a loan or hurt by your credit score, you are entitled to a free copy on the spot.

*The Dodd-Frank Act allows the Federal Trade Commission (FTC) to expedite and enforce new rules to protect you from abusive auto financing deals.

*The new law allows retailers to require a minimum \$10 purchase on a credit card. Governments and colleges may set maximums for credit card payments.

This article only covers certain aspects for consumers. Contact your professional advisers for more details.

Equality for Office Romances

A city office clerk was having an affair with the mayor. Both were married, but neither hid the affair. The clerk was disciplined and subsequently terminated from her position, but the mayor was not. The clerk then sued the city for gender discrimination.

A lower court tossed out the case, but now an appellate court has reversed that decision. All the clerk had to prove was that her gender was a factor in the firing decision.

Moral of the story: Don't choose favorites in office romances. Apply the same rules to all employees.

Playing the Business “Name Game”

What's in a name? Plenty, especially if we are talking about the name of a fledgling company. As the marketplace in many industries becomes more crowded, it's important to choose a name that is readily identifiable and stands out from the pack. Here are seven suggestions:

1. Understand the main characteristics of a good company name. The name should be easy to spell, require no explanation, describe your business, indicate a benefit and distinguish you from the competition. Optimally, the name you ultimately choose will have some, if not all, of these characteristics. (All is clearly preferable.)

2. Devote some time to the process. Don't blindly embrace the first or second name you come up with. Frequently, it takes considerable effort on your behalf. It is generally recommended that you establish a team that will take responsibility for finding the best name for the company.

3. Use the tools at your disposal. You don't have to rely just on brain power. Consult the dictionary and a thesaurus. Searching online for words and descriptions can also be beneficial.

4. Bring your team together in a brainstorming session. Usually, you won't decide on a name right away, so you might try to find the words one at a time. (The odds are the name will be at least two words.) To keep things manageable, spend time on each category before you start stringing words together.

5. Once you have found a name you like, sleep on it. If it still stands up to scrutiny over the next few weeks, it could be a winner. In other cases, you might discard the name for a variety of reasons—perhaps it doesn't meet enough of the requisite characteristics. Then it's back to the drawing board. But don't give up hope, and don't take the easy way out.

6. Test it out. If you invest enough time and energy, you will know a good name when you hear it. But you still have to run the name by the most important audience: your customers. Solicit responses through telephone surveys, postings on a Web site and the like.

7. Clear the legal hurdles. After you have chosen a definitive name, have it trademarked to avoid any potential legal conflicts. Otherwise, you may be infringing on another company's rights. Have an attorney perform a comprehensive search.

