



ESTATE PLANNING

Understanding Wills vs. Trusts

About Us

LONE STAR LEGAL SERVICES, LLC



Tom Flynn
Certified Legal Document Consultant

Tom, a Graduate of University Texas Austin and a former owner of a Military Defense Contracting firm, established Lone Star Legal Services in 2015 after working directly with San Diego based Law Firms and Attorneys specializing in Family Law, Estate Planning and Civil Law. Tom worked as a Legal Assistant, Investigator, Process Server and California Notary with a 30 Year Veteran San Diego Family Law/Trust Attorney for ten years. Based upon his experiences he is certified as a Registered California Legal Document Consultant. Tom is authorized via the State of California and the State Bar Association to meet with Clients, discuss their Estate Planning needs, pair them up with attorney approved forms and relay professional experience.

Important Terms

Trustor(s): The individual(s) that own the Estate and Assets.

Trustee(s): The person(s) designated by the Trustor(s) to manage the Estate and distribute the assets to the Beneficiaries upon the Trustor(s) demise.

Alternate/Successor Trustee(s): People designated by Trustor(s) to be Alternates for the Trustee.

Beneficiary: Person(s) that the Trustor(s) has designated to receive Assets from the Estate.

Primary Agent(s): Person(s) designated by Trustor(s) to oversee Financial POA and or Healthcare Decisions

Co-Trustee(s): Persons assigned by Trustor(s) to work Jointly to manage the Estate and Distribute Assets.

Co-POA Agents: Persons assigned by Trustor(s) to work Jointly to manage financial affairs.

Types of Trusts



Revocable Living Trust

A Contract with Individual(s) who own the assets of their estate. This Trust can be updated, revised or terminated at any time. The Trustor owns assets of the estate. He/she assigns a Trustee who assumes responsibilities for managing the Trust's assets only after the passing or if the Trustor(s) becomes incapacitated.

Irrevocable Living Trust

A Contract that is initiated by the individual(s) who own the assets of their estate (Trustor). He/she assigns a Trustee who assumes responsibilities for managing the Trust's assets when the Trust is executed and becomes totally responsible for all decisions in managing the assets of the estate. The Trustor(s) do not have any access to assets without Trustee's permission including revisions, updates or termination of the Trust.

Trust Revisions/Updates

Revisions/Amendments

Trusts need to be revised from time to time, those Revisions are in the form of an Amendment which is a simple Cover Page and added to the Existing Trust.

Updates/Restatements

When a Trust becomes outdated, it needs to be updated to a newer version. This type of format is typically a Restatement which cancels the previous Trust version and replaces it with the newer updated format.



What is Probate & How to Avoid it?

Probate is a lengthy, costly Court Process to transfer a person's assets when they pass without a will or with a will when the assets are valued at more than \$184,500. A Judge makes the Final decisions on property sales, asset transfers and beneficiaries. The Court charges the Estate 5% of the assets and a Probate attorney is required which can run upwards of \$3,000 plus. Probate Court usually takes 18 months and up to 48 months.

The only way to avoid the Probate Court process is to have a Trust. A Trust is viewed by the Court as a Contract and is Not Subject to Probate Court Proceedings.



WILL



PROBATE



HEIRS

- ATTORNEY REQUIRED
- 18 TO 48 MTH DELAYED DISTRIBUTIONS
- PUBLIC DISCLOSURE OF ALL ASSETS & DEBTS
- COURT APPOINTED GUARDIANS/CONSERVATORS
- COSTLY COURT FEES
- EASILY CONTESTED
- WILL MUST BE APPROVED BY THE JUDGE
- JUDGE MAKES FINAL DECISION
- ASSETS ARE FROZEN
- BENEFICIARIES MUST APPEAR IN COURT

LIVING TRUST



HEIRS

- NO ATTORNEY
- NO PROBATE
- NO COURT
- FAST TRACK DISTRIBUTIONS
- NO TIME LIMIT RESTRICTIONS
- NO DISCLOSURES
- EVERYTHING IS PRIVATE
- NO ADDITIONAL FEES OR EXPENSES
- NO CONTEST CLAUSE
- FAMILY CONTROLLED
- ACCESS TO ASSETS
- ASSET PRIVACY PROTECTION

Property Inheritance

Beneficiaries listed in a Will or a Trust receive the Estate's Assets. Each document assigns an individual to Distribute the assets. Wills assign an Executor, Trusts assign a Trustee. There are specific requirements to manage the distribution of an Estate's Assets. Assets via Inheritance are Not Taxed unless they surpass \$12.92 Million.



Property Transfers

Property assets distributed to via a Trust to Beneficiaries are Not Subject to Gains from the IRS as long as the sale of the property occurs within a year of the Trustee's passing. Property Tax Values can be forwarded to children and sibling beneficiaries if the property is not sold and transferred. The property will be Subject to Capital Gains when sold in the future, however the gains will be calculated from the value at the time of the Trustee's passing and the date of sale.



Trust Package

The following Notarized items should be included in a Trust Package

Declaration of Trust

Memorandum & Certificate of Trust

Living & Pour Over Wills

Financial Power of Attorney

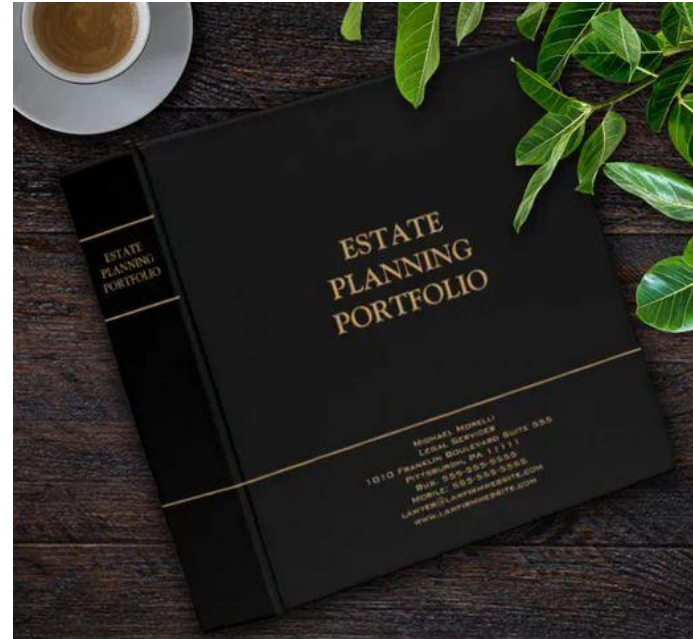
Healthcare Power of Attorney

Advanced Healthcare Directive

HIPAA Medical Records Authorization

Schedule of Assets

Grant Deed





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