

## CHAPTER FOUR

### Trust Seminars: A Free Dinner, But at What Cost?

Because of my age, I think, at least every other week I receive an invitation by mail or telephone to attend a free dinner at a local hotel or restaurant. These folks seem to have the AARP mailing list. The invitation is typically from a stockbroker, financial planner, attorney, or estate planner. The point of the dinner is ostensibly to give me information important to me on estate taxes, guardianships, how to avoid probate, taking care of my IRAs, and so on.

I actually go to some of these dinner seminars just to see what people are being told and what they are being sold. Most of them are in the same vein—a Power Point presentation narrated by up to three speakers for the purpose of convincing the audience that they need to get their financial affairs and estate planning in order—or else! Some of them have exaggerated claims of the time and expense of probate to scare people into signing up with them. Some have information that is downright incorrect. I attended one seminar run by an attorney who was so far off base in his advice that I was tempted to stand up in the back of the room and tell the audience not to listen to this guy because he did not know what he was talking about.

Everyone at the seminars eventually figures out that the agenda of the presenters is to sell something. Whether it is long-term care insurance, brokerage services, legal documents, or annuities, they are not feeding you for nothing. They want your money.

I am reminded of my mother, who has a closet full of umbrellas and tries

to give me one every time I visit.

“Where did you get all these umbrellas?” I asked the first time.

She replied, “The Buick dealer down the street gives me an umbrella and a hot dog every Sunday if I take a test drive.”

Mom was never going to buy a Buick and I think the dealer knew that, but sales is a numbers game—get in front of enough people and some will buy. It’s the same thing with these seminars. Some people go to all the ones they are invited to just to get the free meal. But some of the guests are new and some of them eventually get convinced.

I have been approached by a number of companies over the years that put on these seminars. They ask me if they can refer their customers to me to prepare a trust-based estate plan for them. I have to very carefully investigate companies making such requests. Some are good, and some are downright crooked. As a consumer, you have to be cautious with whom you deal in financial and legal matters, particularly when you are revealing your personal financial and family information to them.

So here is the criterion you should look at in deciding whether to attend a trust seminar:

Who is putting on the seminar? Attorneys may hold workshops or seminars as a way of attracting new clients. The information is usually good, and it is the attorneys’ services for preparing a trust, powers of attorney, and funding services that are being sold. The attorney cannot sell annuities or insurance, so you are not going to be pressured on those fronts. He may try to get you to sign up for an office conference or may even visit you in your home to wrap up the details.

What to watch out for: just because they are putting on a seminar does not mean they know what they are doing or are charging you a fair price. See the next chapter on attorneys for more about that. Check out the attorney: How long has he been in practice? How many trusts does he do every year? How long will it take to get the trust done? Be sure you have a written fee agreement and that you know in advance what the total costs will be. Do not agree to an hourly rate. An agreed-upon flat rate for the entire service should be in writing.

Are you a member of a prepaid legal services plan? Some attorneys participate in these plans and can do all of your estate planning at no cost to you. In my office, for example, you get exactly the same documents and services if you have legal insurance as you would if you were paying cash. I

have seen some attorneys, though, that give their clients the stripped-down version if it's through a legal plan.

Brokers, financial planners, and insurance agents will discuss living trusts, guardianships, and so forth—and may even have an attorney to whom they refer you—but their primary goal is to sell you annuities, long-term care insurance, or other investments. They may want to sign you up as a client and charge a fee for financial planning advice. Often they want to rework your IRA. Remember that they make a commission on anything they do, and be sure that you are getting advice based on your best interest rather than the agent's. Be certain that any change they make in your investments, including your IRAs and retirement accounts, is not going to reduce the value of that account or put unacceptable restrictions on your access to your own funds. A good way of protecting yourself is to listen to what they have to say and then run their recommendations past another person in the same business. The money you have now is not easily replaced if lost in a bad investment, especially when you are retired.

Trust sales companies are a mixed bag. Seminars are being run throughout the country by big organizations to sell you on a living trust and all the related documents. The presentations are slick and the sales techniques are high pressure. There are sometimes no local attorneys involved in the preparation of the legal documents at all—often the legal work is done in another state by the company employees and then shipped back to the salesman for delivery to you. The trusts are generic, not necessarily appropriate for you, hard to understand, and overpriced. I know all this because I have seen dozens of these trusts brought to me for a review of validity.

Beware of any company that claims it is selling you legal documents if the people are not themselves attorneys. It is illegal in most states for a nonattorney to give legal advice, to prepare an estate plan for you, or to sell legal documents specifically designed for you. They may say attorneys are preparing the documents, but if the attorney fees are included in what you pay them, this is illegal, unethical, and may involve no attorney at all.

Illegally selling you legal documents at an inflated price is not the end of it. They use the trust as a way of getting you to reveal all your personal financial information and then try to sell you investments on which they receive big commissions. Some of these companies have been prosecuted for tactics like these, but they often just open up under another name and keep

going. The free dinner is not worth the risk of being talked into a bad deal. These salespeople are very convincing.

Trust service companies are different from the trust sales companies and are up-front and completely reputable. A trust service company is not selling you a trust. It may offer you a list of local attorneys from which you can choose to discuss preparing a trust for you, but it does not prepare any legal documents itself or give legal advice. You can use your existing trust with them or even use your own attorney.

What you buy from these companies is typically a service package wherein they agree to help you “fund” your trust (see [chapter 8](#)), meet with you annually to be sure your trust is still properly funded, help you fill out a request to amend your trust (which you can send to your attorney to make changes you may want), and even assist the family after your death in submitting claims for life insurance and rolling over retirement plans.

Is their service worth what they charge? It depends, of course, on how good you are at keeping track of your assets yourself. In my experience, as I discuss later, trusts are less likely to be fully funded the older they are, so part of the estate sometimes ends up being probated even when there is a trust. However, with the trust service companies, which provide an annual review, it is rare to have any assets left out at death that need to be probated.

Keep in mind that you are not buying legal documents from a trust service company. They are not lawyers and cannot give legal advice, act as agents for a lawyer, or sell you legal documents. You are buying their services. Also, they sell things such as long-term care insurance and annuities, but you are under no obligation to buy anything at all from them or to let them manage any of your investments or assets. Get a second opinion before you transfer your IRA or 401(k) or buy an annuity or investment from anyone, especially someone coming to your home. That is always your choice. Be careful of companies that lead you to believe the fees you are paying them are for a trust. The attorney is the only one who can do the trust and will charge you separately for those services.

Check out the company you are thinking of dealing with. Call the Better Business Bureau. Ask for references from other customers they may have serviced. Be sure that you have a signed contract specifying exactly what you are paying for and that you have the right to a “cooling off” period, during which you have the right to cancel while you think it over.

I recommend that you also involve your adult children, if any, in order that

they can understand what you have done and what their role will be at your death. Have one or more of the children present when you go over your legal documents. A reputable company or attorney will not discourage the children's participation.

On seminars, my view has always been that I am looking for education and information. Whether I buy anything or make an appointment for more information is secondary and requires a lot of thought and investigation. The same should be true of hiring an attorney.