

TO: ALL LIVING TRUST CLIENTS
FROM: R. LEONARD DAVIS, III, ESQUIRE
DATE: JANUARY 16, 2009
RE: IMPORTANT REMINDER

We appreciate the opportunity to represent you as your Living Trust estate planning attorneys. This letter is a reminder of the essential implementation and maintenance steps you need to carry out, now that your Living Trust is in effect. As we discussed previously, in order for your Living Trust to function properly, you should do the following:

1. **Retitling.** First, you should confirm that all of your outright ownership assets have been retitled to your trust. (You will know this has been accomplished if your name(s) appear as **trustee(s)** on account statements you receive.) As you know, probate avoidance via your living trust is effective only for those "outright ownership" assets which have been retitled to the trust.

2. **Schedule of Trust Property ("SOTP") Update.** Second, **ALL** Living Trust clients should **ANNUALLY** review, revise and update their **Schedule of Trust Property ("SOTP")**, ideally during the January-April time frame. You should update your SOTP **now**, showing all assets and values as of December 31, 2008. To this end, **please send me a marked up copy of your most recent SOTP** showing all changes in your assets through a recent date (such as December 31, 2008). I will review your markup, provide suggestions (especially regarding "Share Allocation") and provide you with a reprinted, revised original SOTP incorporating your changes for your signature. (If we prepared your SOTP and reviewed it within the prior two years, we will provide these services for a **fixed fee of \$125**; otherwise, on an hourly basis.)

***NOTE:** If you did not fill out and sign your SOTP together with your other Living Trust Estate Plan documents in our office, or if you have not previously sent us a copy of the completed SOTP, or if you have not updated it and provided us with a copy of the update within the past year, you should do so as soon as possible. If you have a question or need assistance in completing that SOTP, please call our office and we will be happy to review your situation and offer guidance as you carry out this important step in your estate plan.*

3. **Allocation of Assets.** Third, clients with an "A-B" or "A-B-C" trust should have completed and signed the "SOTP," **indicating for each asset the share assigned to each spouse.** This is necessary to assure the ability to fund a Credit Shelter ("B") Trust, which protects assets from federal estate tax. If you have not completed and signed the SOTP, showing allocation of shares, your federal estate tax protection could be lost. I will assist you with this process in connection with the SOTP Review described above.

4. **Estate Plan Review.** Finally, at the same time that you perform your SOTP review, you should also review all of your estate plan documents and make sure that they still reflect your current situation and current wishes.

RLD:ma