[t] (818) 489-4228 — Steven@CambysesAdvisors.Com

Think You Don't Need an Estate Plan? —- Well, Think Again

This week, we are reminded (again) of the absolute necessity of Estate Planning – even if you do not have an estate that will be depleted by the Estate Tax. This sad story involves:

1) The unanticipated death, at age 63, of one of our favorite long-term (30+ years) clients. – He left a net estate (FMV of Assets – Liabilities) of about $2.3 million (that spans two states) – sizable, but not estate taxable;

2) No wills, trusts, or other dispository instruments among his paperwork (heaven knows we noodged);

3) No beneficiary designations on his accounts (for the most part, though one piece of property was held in joint tenancy with his life partner, thank goodness);

4) A life partner of 20+ years, with whom he never "tied-the-knot;"

5) Five long-estranged siblings (I have known him as a friend, occasional drinking buddy, racetrack accomplice, and client for over 30 years; I don't even know the siblings existed, much less their names. – Yeah, that degree of estranged).

We received tearful and frantic telephone calls from his life partner and his life partner's sister this week. Subject: How can his life partner gain access to his assets so he can continue to make payments on various joint obligations?

This is where the story gets ugly.

In the absence of marriage, dispository instruments, joint tenancies, or beneficiary designations – California's intestate succession rules determine who is entitled to receive our client's estate.

Guess who scoops the lot.

If you guessed the 20+ year life partner – put on your dunce cap. Our client and his life partner lived in California. California does not recognize common-law-marriage, even after twenty years. Not only does the life partner get bupkis, they have no standing in CA-probate whatsoever (unless one or more of the siblings nominate them as the estate administrator). We cannot even acknowledge the partner's information request without permission from the probate court.

The estranged siblings crawled out of the woodwork to divide the spoils! (The joint tenancy property passed to his life partner. Fortunately, it's the family residence. Unfortunately, it passes with the mortgage attached.)

So, can the life partner fight this?

Technically, Yes. Legal fees: probable cost: approximately $2.0 million, according to our favorite estate attorney to cover one or several petitions, appeals, and referrals to higher courts by five potential litigants. That would eat the entire estate. To top it off, the life partner would probably lose in the end.

Oh yeah, one more thing… The estranged heirs stiffed both the attorney and Cambyses for the final installment of our fees.

So, here is the moral of our story:

> ***If you don't have an estate plan – the state has one for you. (You may or may not like the state's plan.)***
>
> **Please, Please, Please Folks; Spend a little money; Get your assets organized; Retain an attorney to draft appropriate documents and make appropriate elections!**

Cambyses Financial Advisors and Steven Roy Management can help organize, identify, marshal and evaluate your estate. We have several qualified attorneys on speed dial (including one who is highly qualified for "special needs" situations). The money you spend now may make all the difference to the people you love.

As we post – We received another, similar, sad call.

This is a retelling of a 2018 incident and post. We have seen virtual replays of exactly the same or a similar scenario and outcome at least six times since then. Only one of those scenarios had a happy ending: and that only because the "sister-administrator" generously made a post probate gift to the life partner after settling the estate.