

LAW OFFICE OF DALE R. THORSON, P.C.

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Re: ESTATE PLANNING INFORMATION PACKET & ASSEMBLY OF INFORMATION

This document outlines our estate planning services and serves as our initial engagement agreement. Please review it carefully and ask any questions you have. This document must be signed at the bottom before commencing work on your file.

Our office prides itself in providing quality and creative services at very affordable pricing. Our primary goal is to prepare you for making "informed" decisions and offer planning techniques which are cost efficient yet complete. We do not make recommendations which maximize our fees, but rather make every effort to keep your fees at a minimum. This is my way of doing business and it has kept my practice growing for more than 30 years with more than 5,000 clients.

In general, most clients have the same objectives:

1. Get correct information from a qualified professional;
2. Utilize a system to get "their affairs" organized;
3. Develop a comprehensive plan for handling their estate during three phases of life (competency, incapacity and post death).

In my opinion, less than 1 percent of the population is properly educated on their needs, options and actually have a complete "estate plan" in place. The time for completing your planning is not when you reach an advanced age (remember: the two certainties in life - death and taxes), become suddenly seriously ill or after an accident, but rather when you are able to make an informed and well thought out decision.

When there are separately owned assets owned prior to marriage, or received during marriage by gift or inheritance ("sole & separate property"), you might consider the use of the three part trust design. This gives you greater flexibility in designing, revising, updating and managing your financial matters and providing for distributions to intended family members without "faith & trust" being involved by actions of other persons.

We also offer advanced planning techniques relating to post death estate administration:

1. Designate or "special needs" control over assets:
 - a. Spendthrifts (those who can't handle/control their assets);
 - b. Persons with medically or mentally impaired issues who would otherwise lose government assistance if distributed outright ("special needs");
 - c. Beneficiaries under a certain age (our recommendation is anyone under age 23 rather than 18) but also allow your appointee the discretion for early distribution for health, education or other important needs;

2. Continue use of a personal residence, vacation property, motor vehicles or other assets by a spouse or other person - while not giving up ownership and designing control safeguard features;
3. Decide on income payments and limited principal withdrawal of your remaining assets to a spouse or other persons;
4. Avoid or minimize estate (or "death") taxes;
5. Maximize income tax advantages in "settling" the "estate" (double step and "stretch" provisions);
6. Minimize unnecessary fees, costs and delays in "settling" the "estate";
7. Minimize or totally avoid disputes in "settling" and distributing your tangible personal property items;
8. Assist with necessary governmental procedures to distribute remaining assets;
9. Explain procedures for utilizing "statutory allowances", paying off or negotiating down existing debts and the statutory rules to protect you from unknown creditor claims.

Our office will educate you, work with you to determine your needs, listen to your wishes and then customize your estate plan, as opposed to fitting you into some pre-designed or fill in the blank forms. We want you to understand your options and feel comfortable discussing "tough" family issues. All conversations are confidential. Do not hesitate to be creative or ask questions. It is your "estate plan" so design it to satisfy your desires, not what your children or family "expect".

We have the availability to utilize conference calls on a speaker phone box connecting up to two other parties. We are proud to offer new technology for video conferences using "Skype" on a large screen TV to facilitate meetings with your family members and/or financial advisors.

Worksheets & Reading Material Two related documents to complete:

- I. Estate Planning Information Packet, which includes the following:
 - a. "Personal Information & Document Worksheet" for your input - which allows us to prepare a detailed estate contact sheet with information for your appointees - 2 pages;
 - b. "Establishing an Estate Plan" for advance reading. This outlines the three main estate planning documents, i.e. powers of attorney - financial and medical power of attorney, living will and distribution documents. At our meeting we will explain options on how to "design" your estate plan using certain techniques to "avoid costly probate" and simplify your final distributions through direct transfers or a living trust - 1 page;
 - c. "Decisions to Make Re: Estate Document" for advanced reading - explains the basic decisions you need to make, i.e. (1) beneficiaries - who gets your remaining assets, (2) who administers your financial affairs (while you are living and after death) and who you want to handle your medical needs and decisions (our recommendation is multiple persons rather than only one person at a time) and (3) guardian and

conservators for any minor children, if both parents are deceased, i.e who will raise them (guardian) and who will administer their inheritance until they are at least age 18 (conservator) - 4 pages.

- d. "To Do" & "Follow Up" List - client participation - 2 pages.
- e. "Work and Billing List" - engagement agreement - 1 page.

II. Schedule of Assets and Debts (Schedule "A") for your input - 10 pages. Please take your time and complete this form carefully in PENCIL so you can easily update it. While it is not necessary to have it fully completed prior to our meeting, you should at least fill in the types of accounts that you have which will assist us in our analysis of your needs. At our meeting, we can answer your questions and assist with finalizing this form. If you would prefer to type and maintain this form in your computer, we can provide this form in "pdf" format by email. You can also create or utilize your own worksheets and use our form to supplement what you already have. HINT: There are many questions or issues which you need to address that you may not have considered prior to reviewing our form and these can be discussed during our meeting.

Initial Discussions After you have had time to review these materials and complete the worksheets, please call our office to schedule an appointment to discuss your personal estate planning situation.

The better prepared you are prior to the meeting, the greater the benefit you will receive.

Assembling Documents - What to Complete and What to Bring If you need our assistance in reviewing your account records to determine the status of ownership, beneficiary designations and the related probate potential, we request that you bring with you either the originals or copies of your asset ownership and beneficiary records, including:

1. All Real Estate Deeds, Notes Receivable, Deeds of Trust or Mortgages you hold and Contracts for Sale;
2. Titles to Automobile, Motor Home, Mobile Home and Trailer you hold;
3. Life Insurance & Annuity Policies (Beneficiary Designations);
4. IRA & Pension Account Information (Beneficiary Designation & Payment Arrangement Information);
5. Investment Certificates, such as Stocks, Bonds & Limited Partnership;
6. Financial Account Statements or Signature cards from your bank, trust company and/or investment broker showing the manner in which you are presently holding title, i.e. joint ("or"), "and", "sole ownership" (one name only) or Payable on Death/In Trust For, etc. Please note that sometimes the monthly statements do not reflect how accounts are set up; and
7. Any other ownership documents you would like to discuss.

Existing Documents Please bring in all of your existing estate planning documents, including your Last Will and Testament, Powers of

Attorney - Financial and Medical, Living Will, Schedule(s) of Assets, Beneficiary Designation Forms, Final Instructions and related prepaid final arrangement contracts. We will review them for continued legal compliance and accuracy.

Services Offered - Customized Packages or Individualized Documents

We offer either customized packages or individual estate documents.

Our "will" package price includes basic estate design: the will, financial & medical powers of attorney along with living will including duplicate originals for up to three appointees, final instructions (which normally require signature with witnesses involving cremation), tangible personal property list, an explanation letter to send to your appointees, estate contact sheet with personal and appointee contact information and assistance with MVD beneficiary forms.

The "living trust" package includes the basic "will" documents detailed above plus the declaration of trust, asset assignment, community property declaration (for couples), certificate of trust existence and authority, three forms of appropriate funding letters to allow you to retitle your assets or make beneficiary designations, a "funding" deed to your Arizona residence and basic assistance with updating your beneficiary designations.

These package prices do not include "out of pocket" costs, i.e. recording fees for deeds, extra photocopies or postage, mental health care power of attorney, beneficiary deed, non-residence deeds, advanced assistance with updating your beneficiary designations revision of your beneficiary forms to complete your trust and special customized design language or provisions. These "extra" amounts will be identified and agreed upon during our meeting using the Work List - Billing sheet.

Financial Investment Needs Our office does not attempt to provide recommendations regarding investments or risk management/insurance needs. These issues should be reviewed with a qualified financial planner and/or insurance agent. Our office is happy to work with other professionals in these related areas as part of designing and creating your "estate plan".

Engagement Agreement and Fee Arrangement We offer two distinct type of service relating to your estate planning.

1. Consultation time. You will need to contact our office to schedule an appointment to meet for an educational session on the current options available relating to the design of your estate plan. This time will also be used to review any existing documents to see if they meet your needs. It is our policy to charge an hourly rate for such consultation time - our current rate is \$ 275 per hour with the average bill for the initial consultation normally being approximately 1 hour at a reduced charge of \$175 - \$225, depending on the complexity and time spent. Additional time beyond one (1) hour spent on your design or if you have complex or customized needs or need assistance with "other" legal or tax issues will be billed at the attorney's discretion at the stated hourly rate.

The more prepared you are by taking time to carefully read this letter and completely fill out our two (2) worksheets, the more efficient and less expensive our initial meeting will be. Such cost is not included as part of a package price and is payable at the end of your appointment.

2. Document Preparation If you desire that we prepare estate planning documents for you, we will discuss and agree upon the design and types of documents to be prepared and amounts to be billed. A 50% retainer is required prior to the commencement of work with the balance due at the time of signing.

This letter is part of our engagement agreement and you will be asked to acknowledge in writing that you have read it and have had the opportunity to ask questions about its content prior to signing it below.

If you have questions, please contact our office. We look forward to hearing from you and assisting with your estate planning needs.

Sincerely,



LAW OFFICE OF DALE R. THORSON, P.C.
DALE R. THORSON

Encls.

ACKNOWLEDGEMENT I acknowledge receipt of this five (5) page letter, have read it, have had the opportunity to ask questions, have been provided a satisfactory and acceptable explanation of its content prior to signing below and have received a copy after signing.

Date: _____

Date: _____

Signature(s)

Printed Name(s)
