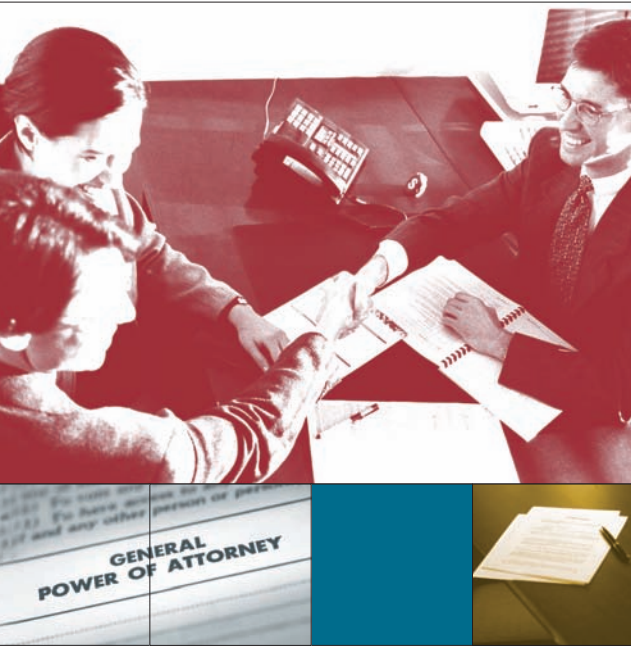


**THOMPSON
HINE**

Services in Personal Planning





About The Group

Our clients range from young couples with small children to the elderly with three generations to provide for, and from the very wealthiest to persons of modest means. We serve business owners with complex problems of succession, executives and professionals with compensation-based assets and, of course, the widowed, orphaned and disabled.

Individuals and families differ widely in their needs, desires, hopes and dreams. No field of practice involves the coordination of more different and more widely differing statutes and rules than developing appropriate plans. It is essential to consider and observe the laws of:

- Gifts, wills, trusts, inheritance and estate administration
- Business entities, including principal and agent, corporations, partnerships and others
- State, federal and foreign income, estate, inheritance, gift and generation-skipping taxation
- Property, conveyancing and creditors' rights
- Charity

For nearly a century our personal and succession planners have assisted individuals in shaping their dreams in the most important and most personal aspects of living and dying. The art of the planner begins in listening.

We listen.

The *a r t* of the planner
begins in listening.
We listen.



Representative Services

For Self and Family

The inescapable truth is that federal and state governments are silent partners in everyone's good fortune. Estate, inheritance, gift and generation-skipping taxes are very different from income taxes, and very little about them is intuitive. Planning for the minimization of these taxes may involve:

- Preparing trusts that can grow without income taxation to the beneficiaries.
- Crafting dispositions that assure usage of the large exemptions from federal gift, estate and generation-skipping taxes.
- Drafting trusts by which a valuable main residence or vacation home may be passed to children at a small percentage of its real value while the owners continue to live in and enjoy the property.
- Assuring that wills and trusts take full advantage of federal and state deductions available for gifts and legacies to a surviving spouse.
- Preparing trusts or other arrangements under which life insurance can swell family resources and provide liquidity for the payment of death taxes without increasing the amount of those taxes.
- Explaining and implementing programs of gift and generation-skipping tax-free giving for children and other descendants through trusts that qualify for annual exclusions or other tax benefits.
- Crafting long-term trusts that can provide benefits for generation after generation of descendants with efficient financial management and without exposure to federal or state gift, estate, inheritance or generation-skipping transfer taxes.
- Preparing gift tax returns, defending gift tax audits and representing the taxpayer in gift tax litigation.
- Determining whether post-mortem tax planning options are available.

Services continue after death or incompetency occurs and after trusts are funded. Our planning lawyers advise and assist in the management of trusts of all kinds, guardianships for minors and incompetent persons, and decedents' estates, in order to assure compliance with fiduciary laws and realization of the benefits intended for family members. If disputes among fiduciaries or beneficiaries result in litigation, the planners may become part of the trial team. Trusts, estates and beneficiaries also are subject to special federal income tax rules. It is part of personal and succession planning to help the parties minimize their effects.

The administration of a decedent's estate and the preparation and processing of estate and inheritance tax returns are things that most individuals do only once or twice in a lifetime. It is the rule, not the exception, that most federal estate tax returns are audited. Our group has years of experience in preparing the returns, participating in audits and, if negotiations fail, in pursuing litigation.

For many families, the best planning involves a major educational component. Plans will work best, and intended beneficiaries will benefit most, if the young are introduced to planning concepts and involved in planning discussions as they become adults. Some of the most important work our planners do is in explaining to the young the reasons for arrangements put in place for them by others, in persuading them to take the actions necessary to preserve the benefits of those arrangements and to assure the responsible management of their own good fortune.

Incompetence and legal disabilities threaten everyone, every family. Our personal and succession planning lawyers:

- Craft powers of attorney and a variety of other arrangements that can help assure the continued efficient and private management of a family's financial affairs, no matter how complex they may be, and avoid the expenses, delays and publicity involved with guardianship or similar court proceedings.
- Explain and implement measures designed to control the extent and cost of health care during incapacity and to provide clear directives and arrangements for substituted decision-making.
- Advise those interested in providing financial support for minor or incompetent family members of the variety of custodianships, educational savings arrangements and trusts that can deliver the essential benefits.

Divorce is as prevalent as successful marriage and many wish to protect some or all of their assets against the claims of spouses and other creditors of all kinds. Our planners:

- Prepare premarital contracts that can define or help eliminate the claims of spouses and outline other important aspects of the marital relationship.
- Craft trusts that can help insulate assets from a broad range of creditors.

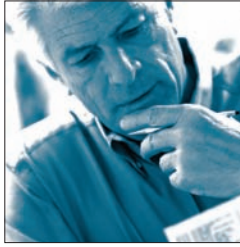
Business Succession

Families whose wealth is generated chiefly by a business enterprise face a range of specialized problems. Our personal and succession planners complete the firm's mission in serving businesses by:

- Drafting agreements to restrict transfers or allow or require redemptions and cross purchases in order to assure continuity in management and succession to control.
- Advising entrepreneurs about the uses of employee stock ownership plans in connection with succession of management.
- Advising business owners in the process of selecting and training family members or others to succeed to management responsibilities and of implementing plans to assure their succession to effective management control.
- Designing and implementing plans that limit values subject to gift, estate, inheritance and generation-skipping taxes, such as
 - ▶ recapitalization of the firm to create preferred and subordinate, or voting and nonvoting, interests;
 - ▶ transfers of interests in the firm that take advantage of established discounts for lack of marketability, lack of control, etc.;
 - ▶ installment or other sales or redemptions to convert a growing equity interest into an asset with fixed value, so that future appreciation shifts to younger generations with minimal transfer tax cost;
 - ▶ sales of interests to trusts for the benefit of others without causing taxable capital gain or interest income;
 - ▶ gifts to trusts from which the owner retains fixed annuity benefits, with the result that growth during the term shifts to others tax-free; and
 - ▶ sales to chosen successors in exchange for fixed annuity benefits, again as a means of fixing values.
- Planning and implementing the purchase and maintenance of life insurance that can
 - ▶ avoid estate, inheritance and generation-skipping taxes and at the same time provide liquidity for the payment of the taxes on the value of the business, or
 - ▶ serve the common goal of equity and family harmony by creating additional alternative benefits for family members who will not continue in the business.
- Arranging in appropriate cases for death taxes on the value of a business to be deferred as long as 14 years after death and paid, essentially, with future earnings.



S h a p i n g your legacy is a *p r o c e s s* , not an event .



Philanthropy

Many individuals wish to recontribute a portion of their good fortune to society in charitable gifts and legacies. Our personal and succession planning lawyers:

- Plan lifetime transfers to take maximum advantage of the complex and limited federal income tax charitable deduction. Few tax rules are less understood by laymen.
- Prepare charitable remainder trusts that generate current income tax deductions and provide increased cash flow for the donor.
- Assist donors and charities in planning bargain sales and annuities that provide benefits both to the donors and the charities.
- Design private foundations, through which the donor's benevolence can be expressed in accordance with personal preferences for many years, and assist in their management under the complex legal and tax rules that apply to such foundations.
- Create other trusts or funds within recognized community foundations, or form trusts and corporations that qualify as support organizations for recognized public charities.
- Draft charitable lead-interest trusts providing benefits to favored charities for a certain time, while preserving property for the family's future enjoyment.

Retirement

After a long and arduous worklife, most individuals have substantial contractual benefits from corporate and individual retirement plans — pension, profit-sharing, qualified, unqualified, contributory, defined benefit, etc. Our personal and succession planning lawyers:

- Explain the many complexities that affect these plans and benefits, including the alternative forms of payment they offer for the account owner and for later beneficiaries, and help in selecting the best options for the family.
- Estimate the income, estate, inheritance and generation-skipping tax effects of rollovers and alternative beneficiary designations and assist in the implementation of decisions.
- Draft customized beneficiary designations to allow disclaimers, division of accounts and other post-mortem strategies that may result in tax savings and promote family goals.
- Prepare trusts to receive, accumulate and manage benefits when this is advisable for the beneficiaries.

Take, have and keep are pleasant words. The only wealth that lasts forever is what one gives away. Both adages are true. Planning is what happens in the tension between them.

OUR CLIENT SERVICE PLEDGE

What Our Clients Can Expect From Us . . .

1. We will know your business.

We make it our business to understand your business. We will invest our time and resources to develop and maintain knowledge of the dynamics that impact both your industry and your organization. Understanding your business will help us provide better counsel to you.

2. We will plan our engagements with you.

We know that clients differ in their goals, risk tolerance and a variety of other factors that must be taken into consideration before work can begin on any matter. At the beginning of every significant matter, we will work with you to develop a plan to meet your strategic goals. By agreeing on a plan at the beginning—and adjusting it as needed—we will stay focused on what is most important to you.

3. We will manage your work as if we were the client.

We will work with you to manage your costs. We will staff every matter with the right resources, and we will manage the work as if we were the client—delivering the highest quality of service on time and in the most cost-effective manner.

4. We will be available when you need us.

We recognize that you often need to make swift decisions and act quickly. We will be ready to act for you when you need us, and we will make ourselves available wherever and whenever necessary.

5. We will communicate often.

Our goal is that you will never be surprised about developments in anything we are handling. We will provide regular updates on the progress of your matters, including all significant developments and changes to scope, timeline or budget.

6. We will provide the highest-quality counsel.

Above all else, we stand for the highest quality. Our lawyers, paralegals and staff take pride in the work they do. From the boardroom to the courtroom, you can count on Thompson Hine for the highest-quality service.

What Our Clients Can Do To Help . . .

1. We ask you to share your goals.

The more we know about your goals, the better we can manage our services to help you attain them. If your goals change as a matter progresses, we ask that you tell us, so we can adjust our approach to meet your expectations.

2. We want to know your preferences for working with us.

We ask you to tell us your preferred methods of communication, invoice and billing procedures, and anything else that is important to you, so that we can deliver our service the way you want it.

3. We need your feedback.

We want your feedback on our performance so that we can continue to meet and exceed your expectations.

About Thompson Hine

Established in 1911, Thompson Hine is a business law firm dedicated to providing superior client service. Its personal & succession planning lawyers in Cincinnati, Cleveland, Columbus, Dayton, New York City and Washington, D.C., have extensive knowledge and experience in the complexities of estate planning both in their communities and beyond. The firm serves clients ranging from individuals through multinational corporations and has practices in all major fields relating to personal and succession planning.

For More Information

For more information, send an email to AskUs@ThompsonHine.com or visit our website at www.ThompsonHine.com

**THOMPSON
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ATTORNEYS AT LAW

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TH-013

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