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Lunch and Learn
See Insert for our new
2014 program for your staff
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Part Two: Will This New Law Impact Your Clients’ Estate Planning? PART TWO OF TWO

In [part one of this article](#) we announced a new Pennsylvania law that allows certain family businesses to pass by will (but not by trust) and without paying Pennsylvania Inheritance Tax. We also reviewed the new law, what it required, and how it might be used.



David M. Frees Douglas L. Kaune

However, there are some important strategies that can make this law much more valuable to your clients or customers who might be family business owners. And, these strategies can result in death tax savings of hundreds of thousands of dollars...or even more.

To make it easy, we created a system to adapt and update wills to take advantage of the new law. Here are a few of the strategies we use and for you to think about. Since they aren’t being discussed very much yet you can be the first to alert your clients/customers to these important options.

Whether or not they decide to use them, they will know that you’re looking out for their best interests AND bringing them vital and important new options.

Strategy #1 – In Trust or Not In Trust. Since the law does not allow transfers of business interests IN TRUST to qualify, most lawyers will tell your clients that they have to decide right now whether to get the tax savings OR to get the asset and divorce protection of a trust. But by using our system and approach, their heirs are allowed to decide at the time of your client’s death which is more important: 1) the tax savings or 2) the creditor protection of a trust.

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To Say Thank You For Your Referrals And For Being A Friend Of The Firm...

“Discover How You Can Instantly Exploit Our Work And Research And Two Of The Most Important Business And Marketing Secrets To Establish And Cement Yourself As THE Expert In Your Field...And To Create & Retain A ‘Client Base’ That Refers To You And Buys From You Again And Again - Like Clockwork!” So what are these two miracles and how can you get them working for you ASAP?

1) **STAFF TRAINING IN MARKETING AND ENHANCED COMMUNICATION.** Creating and training your staff and team so that they work **for you** - even when you’re not working - and so that they know what clients want and how to get them and to keep them engaged and working with you is a force multiplier that makes your business or practice way more valuable.

2) **CLIENT EDUCATIONAL EVENTS THAT THEY ACTUALLY WANT and NEED** (they can be in person or by call or webinar) - **EVENTS SO GOOD THAT THEY’LL REWARD YOU FOR BRINGING THEM THIS INFORMATION:** Letting GREAT clients (customers) know that you listen to what they say, what they want and what they worry about, that you “have their backs”, get them the information that they need, and that you’ve got an inside track to keeping them informed creates loyalty and referral of other great clients.

And we give you both secrets, in a turnkey program that’s ready to go...right now. Please review the enclosed insert for more information and to book your client or staff training event!

Continued from Page 1. But, that planning must be done in advance, so that they can have this choice. And, it allows them to do that after your client's death when they can best assess the situation. Furthermore, if one of their heirs values asset protection and protection from divorce and another prefers the tax savings, they can each choose a different path.

So, with our QFOB Protection Process™ your client can do a will or trust now and leave that decision to each recipient later.

Strategy #2 Create Qualified Businesses So now that we know a couple of these important aspects of the new law, let's look at some of the strategies for really using this and leveraging the law to the max. First of all, one of the most important things that leaps out is that there are no limits on how many qualified business interests your client might have. Thus, if a business is worth more than 5 million dollars it can be, and in many cases should be, divided into separate businesses so that multiple 5 million dollar exemptions would be created or that each QFOB meet the limit.

This requires some advanced planning. Therefore, if your client has a single family business entity that owns a piece of real estate or a family business that could be divided you should absolutely discuss with us whether or not that should happen.

Strategy #3 Book Value Not FMV Next, and this is vitally important, this law provides that the valuation of the 5 million dollar threshold is done based on book value and not fair market value.

This gives your clients massive business leverage.

For example, if your client owns a piece of real estate that's currently worth 8 million dollars but it's been depreciated and the business has a very low book value your client might be able to transfer an asset with a fair market value of 8 million to qualified transferees with no Pennsylvania inheritance tax even though it is worth much, much more than the 5 million dollars. Or, if the book value is higher than 5 million dollars, it may be able to be separated into two entities which each qualify.

When businesses are divided into separate entities your client might also get some litigation and law suit protection during their lifetime as well. How? Well, if all of your client's business activities are under one umbrella, then a law suit against that company or entity could get at all of the assets. But if the business activities are under separate entities, each is protected from the liability against the other.

So how do you or your client go about doing this and what are the pros and cons? Well the pros are obvious. Your client could save 4.5% to 15% percent of the fair market value of the business depending on whether or not it is being transferred to children, or more distant relatives.

The cons are that this doesn't work for trust transfers, there are significant costs to doing it (although the savings should be much much larger than the costs) and there are some significant restrictions – so this is not for everyone.

SO WHAT'S THE BOTTOM LINE? You need to determine: **1)** Does your client have a family business that qualifies or could be made to qualify? **2)** If your client doesn't have a family business, is he/she engaged in activities that could be converted into a qualified family business that would qualify? **3)** Your client needs to decide if an existing family business or a reconstituted family business should be divided into multiple businesses so your client could transfer multiple businesses each of which has a book value of less than 5 million dollars. This would be important if the book value of the business exceeds 5 million dollars.

To find out more, please go to <http://bit.ly/1bJehdK> to read the full article. Please call 1-888-808-5464 to schedule a Family Business Estate Planning Consult for you or your client with one of our attorneys. Or, if you prefer, we can set a time to do a lunch and learn for you and your staff, and/or your clients.

Please remember, that the information in this article is subject to change and is not provided to you as legal advice but only as an alert to get legal advice from your legal and tax advisers based on your particular circumstances.

Marketing and Advertising Lessons From The Bizarre But Highly Successful!

How a “Silly” Ad In Esquire, Rolling Stone and GQ Can Trigger A Massive Influx of Clients, Customers, or Patients into Your Business or Professional Practice

By David M. Frees, III, JD

In this month’s UTBF Advisor Marketing Newsletter I’m doing something a little bit unusual. I’m reproducing an ad (Exhibit A on the Newsletter Insert) and I have a little discussion of it for you to think about. And take a moment to do it because there are a few fundamental secrets/strategies here that can make your business or practice much more profitable. I got this idea from direct marketing and infomercial king, Dan Kennedy.

This ad is a version of the Athena Pheromone ad that you’ve probably seen in one or more magazines. Dan said that when he calls this to anyone’s attention, most people proclaim it to be “preposterous.” I have also heard...”That cannot be true... or that ad cannot possibly work. Nobody would buy that.”

Most professionals also say this ad has “no place in the marketing a professional firm or mainstream business.” But this ad has several lessons for the entrepreneur or professional who wants to get better clients who are willing to pay for more profitable products and services. And you don’t have to go this far. But the strategies do work.

As to the question of effectiveness, the ad has been running continuously in nearly 100 different magazines for at least a decade- if not longer. What I reproduced here is a small version but there are bigger ads including a full-page version. The various ads run continuously in Rolling Stone, Playboy, Esquire, GQ, Cosmo (yes I’ve seen it there), Newsmax, the airline in-flight magazines and many many others.

So what are the secrets to the success of these ads? First there are certain desires that motivate people of all ages to suspend logic. They are powerful drivers of behavior and if you can link what you do to one or more of these drivers, your marketing can become magnetic and your sales process streamlined. People will listen to you and look for the information they want and need to achieve these things in their lives. **Please [click here](#) to read the full article or go to <http://bit.ly/1gz6jEb>.**

STAFF SPOTLIGHT



Denise Fox | For the past twelve years, Denise has assisted our estate planning and estate administration attorneys in preparing probate, trust and estate planning documents. She is always concerned with your best interest and has worked with clients performing in the role of executor or trustee during the estate administration process. She prides herself on working with clients to ensure that their requests are managed and met. She brings a keen attention to detail and multitasking skills to her work. Prior to joining UTBF as a paralegal, she worked 15 years as a Legal Assistant in two local firms.

What does Denise love most about her job? “I love making a connection with clients and feeling (most times) that I’m truly helping someone. I really enjoy my job and the interaction with a great legal team.”

Where can you find Denise after work? Denise is usually spending time with her family at home. They enjoy camping and going to the beach in New Jersey. She can’t wait for the summer to arrive.

Denise and husband Rich have been happily married for 15 years. Denise is looking forward to the wedding of her 22 year old daughter Erika (who also interned at UTBF for several summers while in college). She is so proud of her son Richard, who is already 14!

Profit Building News and Marketing Solutions

Brought to you by David M. Frees III, JD and Douglas L. Kaune, JD at Unruh, Turner, Burke & Frees



PO Box 289
Phoenixville, PA 19460
610-933-8069

www.utbf.com/trust-estate
www.paestateplanners.com
www.paelderlawsolutions.com

Serving clients in our Phoenixville, West Chester and Paoli offices

SPRING 2014

Is Your Brain in Top Condition? | Like any other part of your body, your brain needs exercise to stay healthy. Although physical exercise can encourage the growth of new brain cells, mental exercises will also help your mind stay sharp.

- **Mix up your routine.** When you take the same route to work every day, or even fix the same sandwich for your lunch, your mind stops stretching itself. Look for different activities that force you to think actively about what you're doing.
- **Stay mentally active.** Crossword puzzles, Sudoku (see Page 2), and other games can keep your mind in shape. Try taking a class, learning a new language, or join a book club (check your local library for one, or start a club in your neighborhood).
- **Reduce your stress.** Easier said than done for many of us, but meditation, yoga, and getting plenty of sleep can relieve pressure that interferes with the ability to form fresh memories.
- **Socialize.** Don't let yourself get isolated. Talking to people and making new friends will stimulate your brain and give you more opportunities to learn and grow.
- **Test yourself.** Make up a few simple mental exercises. For example, try to identify the coins in your pocket, or the keys you carry, by touch instead of sight.

Should you care about Google's Search Algorithm Update? | Courtesy of Foster Web Marketing

The short answer is no, the fundamentals of online marketing and SEO are still exactly the same. Here's what we think will always be true:

- **Content is king.** If you are producing high-quality, unique and relevant content, you are doing the right thing. Search engines will never penalize a website that is providing awesome, accurate, and exclusive information to visitors.
- **Keywords are a construct.** The truth is that keywords have a lot to do with vanity – a fake race to be the “number one” result on Google.
- **Google doesn't run the world.** Diversify your marketing efforts and don't put all your eggs in the Google basket.
- **Help your visitors to help yourself.** If you offer great information that your visitors want or need, they will find you and keep coming back.
- **Never forget offline marketing.** Google might control who finds your page, but you still rule in the real world. Keep up being active in the community, local networking, and local marketing.

SEO is always changing. The more comfortable you are with that fact, the more likely you are to succeed. Read more on line at: <http://bit.ly/O6zl2n>.

From the offices of

David M. Frees, III & Douglas L. Kaune

