

ESTATE PLANNING NEWSLETTER

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TREAT YOUR BUSINESS LIKE A BUSINESS

Limited Liability Companies and Family Limited Partnerships are some of the key tools in every estate planner's toolbox for wealth management and family wealth transfer planning.

Many of you noticed the *Wall Street Journal* article which addressed family limited partnerships and their continued effectiveness as an estate planning tool. The *Wall Street Journal* is just one of many publications and professionals trying to wade through the myriad of conflicting court cases addressing the topic of family entity planning.

However, we believe that family entity planning is still an effective estate planning strategy,

provided that the family and their advisors administer the entity in an appropriate fashion.

Even with the drastic deviation between the present cases, anyone using family entity planning needs to be cognizant of the following issues:

- (1) The entity must be appropriately formed and funded before any gifting is completed;
- (2) The managers or general partner of the entity must keep accurate books and records regarding the entity and must treat the entity as separate and distinct from their own personal assets; and
- (3) Any transfers of interests in the entity

need to be supported by competent appraisals and business valuations to substantiate the value of the interests transferred.

If you treat your family entity as a business and operate it accordingly, you should avoid the potential traps and pitfalls. In order to ensure that the family entity is operated appropriately, we would encourage any of you using family entity planning to routinely review the day to day administration of the entity with your tax and other legal advisors at least annually, if not more often. Please contact us to schedule an appointment to review the administration of your family entity.

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LARRY CONTINUES TEACHING

Larry was recently invited to teach at the 9th Annual Mid-South Conference of Estate Planning presented by the University of Mississippi Center for Continuing Legal Education. The conference was on Friday, November 5, at the Racquet Club of Memphis. Larry made a presentation on Court-Ordered Special

Needs Trust. These trusts will preserve any governmental assistance benefits which are being received by a disabled beneficiary who is entitled to a large inheritance or settlement from a lawsuit. If you have any questions about this planning strategy, please contact Larry.



LEGAL SERVICES PROVIDED BY OUR FIRM

In many cases, our estate planning clients will have the need for other legal services, such as dealing with real estate, small businesses or lawsuits. We are able to assist you with a variety of legal services.

Lang Wiseman concentrates his practice in the areas of business and commercial litigation, construction litigation and lien disputes, and personal injury. Lang also provides general litigation services.

Lodie Biggs concentrates his practice in the areas of real estate, business and tax law. He handles commercial and residential real estate closings. Lodie spends much of his practice in the area of local property tax incentives as well as state and local economic incentives. He assists companies that are either moving into or expanding within Shelby County and the surrounding areas in receiving favorable property tax treatment and other economic incentives for their investments in the community.

Lang
Wiseman



Lodie
Biggs



TENNESSEE HEALTH CARE DECISIONS ACT

The Tennessee Health Care Decisions Act (the Act) was passed in 2004. The Act marks a significant development to the way health care decisions are made by patients who want to give advance instructions and the way decisions are made for patients who do not give advance instructions.

The Act simplifies the formal requirements under current law making it easier for patients to provide their instructions.

The Act does not revoke the existing statutes relating to the Durable Power of Attorney for Health Care and to the Living Will under Tennessee law. If you have those current docu-

ments, they are still effective. However, it may be necessary to update them to add requirements under the Health Insurance Portability and Accountability Act so that your family will be able to access your medical records to make informed decisions about your health care if you are incapacitated.

NEW LICENSED ATTORNEY

We are proud to announce that Chris Patterson was recently admitted to the practice of law before the Supreme Court of the State of Tennessee after successfully passing the Bar Examination.

Chris concentrates his practice in the areas of personal injury and business and commercial litigation. Chris also assists clients with real estate and estate planning.



Disclaimer We are obligated by ethical rules to state that this Newsletter is an advertisement. Certifications of Specialization are available to Tennessee lawyers in many areas of practice, including the areas of Civil Trial, Criminal Trial, Business Bankruptcy, Consumer Bankruptcy, Creditor's Rights, Medical Malpractice, Legal Malpractice, Accounting Malpractice, Elder Law, Estate Planning and Family Law. Listing of related or included practice areas in this Newsletter does not constitute or imply a representation of certification of specialization.

Please visit our website at www.WBBLawFirm.com

which contains information about estate planning strategies as well as additional information about other services our firm can provide.