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MATSUMURA LAW FIRM

Wills, Trusts, Probate
And Estate Planning

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Attorney, LL.M. (tax)

**Your personal property has priceless
sentimental value to your family**

NOTE:
New Address Below!
Effective Oct 1, 2007.
Please Update Your
Records !

5674 Stoneridge Drive
Suite 202
Pleasanton, CA 94588
(next to the courthouse)

Phone, Email, Fax and Web
unchanged

Tel | 925.218.8984
Fax | 925.218.2372

Letters of Instruction—Your Legacy Document: You Are More Than Your Net Worth

One goal of estate planning is to make sure that upon your passing, all of your assets are distributed to your chosen beneficiaries and the least amount of dollars to go taxes, probate fees, and attorneys.

Conflict among beneficiaries (i.e., your children) typically increases the dollar cost to administer an estate. Even though your will or trust may provide that all of your children share equally in your financial assets when you pass

represent emotional attachments. Many family conflicts arise because two children want one household item which cannot be split so all parties can be happy. If these sentimental items are not addressed, they can cause family divisiveness which can last for the rest of your children's lives.

Another goal of estate planning is to protect your family values. You do not want your passing to break relationships that are valuable to you. You may have experienced or heard about relationships that dissolve over an "unfair" distribution of jewelry or memorabilia.

away, conflict may still arise over the distribution of tangible personal property.

Tangible personal property is anything which you own and which you can touch. It includes household furniture and personal effects, such as baseball card collections or jewelry. Personal property typically does not have much "fair market value" and include items that can come in and out of our lives frequently. Because of the minimal "street" value and transient nature, these items are not typically addressed in your Will or Trust. After all, you do not want to consult with your attorney to change your estate planning after you give away your sofa!

Nevertheless, these household items have priceless sentimental value. A china hutch or set of tools aren't just "stuff, but they

To protect against this conflict and resulting damage to family relationships, you should address the distribution of the meaningful items of your personal property.

You may wish to direct that your trustee of your trust or executor of your will sell all of your tangible personal property (i.e., estate sale or public/private auction). In this way, no one can fight over possession of your things. However, many times, this solution is unacceptable. If a directed sale does not make sense for you, you should prepare a written "Letter of Instructions" to direct the distribution of selected items of personal property to specific individuals. I ask all of my clients to prepare this document. Earmarking an item for a certain beneficiary also adds meaning to the item for your recipient - You have hand-chosen a specific item for a particular per-

(continued on reverse)

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Letter of Instruction—Your Legacy Document (continued)

son for thoughtful, personal reasons. I provide a “template” for this Letter of Instructions to my clients as a reminder to do one. However, the form of the Letter of Instructions can of ask my clients to prepare this Letter of Instruction is a non-legal document, and you can and should reflect your personality.

The Letter of Instruction is a non-legal document, and you can change it at any time without the assistance of and without notifying your attorney. It is your *work in progress*, because your possessions and inclinations for distribution will change with time.

ties and values that shaped their own lives.

New Probate Code Section 6132 (effective 01/01/2007) allows you to specifically refer to a Letter of Instruction or other writing in your Will to give legal effect to your intentions regarding the disposition of your personal property. The code section allows you to change your Letter of Instructions as you may wish. The Letter of Instruction document, as it exists upon your passing, will be enforced as if it were actually contained in your Will.

In preparing your own Letter of Instructions, you should keep in mind

“Your Letter of Instructions will be given legal effect as if it were contained in your Will”



Beyond tangible personal property, your Letter of Instructions should include burial and funeral instructions, and any other thoughts or preferences which you would like to pass on. I ask my clients to include statements of values and beliefs and experience that they wish their children and grandchild to remember them by. After all, when we pass away, we are remembered by the person we were, not by the net value of our assets at our death. A Letter of Instruction is a gift you can make to your progeny, and a way for them to remember the quali-

(next column above)

the Letter is for tangible personal property only. **Do not specify gifts of cash or gifts of substantial value in the Letter** (i.e., your original Van Gogh painting). Collections of artwork or jewelry which contain significant worth should instead be addressed in a Will or Trust. Your Letter is for normal household items only.

Remember, the Letter will be your work in progress. When you have completed a current version, you should destroy the prior original and keep the new one with your other estate planning documents. ★

About Me

I graduated cum laude from the University of the Pacific in Stockton, CA with a degree in Business Administration. I received my law degree (J.D.) from King Hall School of Law at U.C. Davis, and was admitted to the California State Bar in 1993. I completed my Masters in Taxation (LL.M.) at Golden Gate University in San Francisco in 1998.

I have practiced exclusively in the area of estate planning, probate and trust administration for approximately nine years.

In my non-work hours, I support Cal football, the SF Giants, the Sacramento Kings, and play tennis! ☺

Next Issue:
What is a Charitable Remainder Trust?