

RICHARD L. COLLARI JR.
ATTORNEY AT LAW

4115 BLACKHAWK PLAZA CIRCLE, SUITE 100
DANVILLE, CALIFORNIA 94506
TELEPHONE: (925) 648-2043 ~ FACSIMILE: (925) 648-2045

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To: My Estate Planning Clients

Re: Annual Estate Planning Newsletter

Dear Clients:

I hope this annual estate planning newsletter finds you healthy and rested after another wonderful summer.

CHANGES AND TRENDS IN ESTATE PLANNING LAW

FEDERAL LAW:

There has been very little to change federal law applicable to estate planning since the new federal tax law was enacted in 2001. However, on June 19, 2003, the House of Representatives passed a bill that would eliminate the estate tax altogether. It remains to be seen whether the Senate will follow the House's lead, however. Nevertheless, this demonstrates that the Republican-controlled Congress still believes that the estate tax should be eliminated. As you may remember, the estate tax (or death tax) is the tax that the federal government levies on property left by a deceased person in excess of an exemption. In accordance with the existing estate tax structure, the exemption amount increases from \$1,000,000 this year, to \$1,500,000 in 2004, to \$2,000,000 in 2006 and finally topping off at \$3,500,000 in 2009. In 2010, the estate tax will be eliminated entirely. The bill passed by the House this past June would accelerate the elimination of estate tax from 2010 to next year.

STATE LAW:

There have been no recent developments affecting estate planning law in California. That is not to say that your estate plan nevertheless may have been effected over the past year by other factors.

With the recent explosion in home mortgage refinancing, the possibility exists that your estate plan could have been negatively impacted. If you bought a new home or if you refinanced the mortgage on your existing home recently, the way you hold title to the property may have changed, unbeknownst to you. If you do not know how title to your home is held or if it has changed, please contact me so that we can ensure title is held properly and, if not, determine

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what needs to be done to correct it. Obviously, because you invested money in creating your estate plan in the first place, surely it is worth while to make sure your estate plan is still as effective today as it was when we first created it.

FINANCIAL PLANNING:

I know you all realize that an estate plan is a major component of an overall financial plan. I have a limited number of valuable discount coupons available for a free initial consultation **and** \$50.00 off a financial plan from Junmin Chang, MBA or Olivia Moore-Jones at American Express Financial Advisors in Walnut Creek, California. Subjects such as retirement planning, education planning and wealth accumulation are just some of what you can discuss with American Express Financial Advisors. If you do not have a financial plan (or if you would like to update an existing financial plan), please contact me to receive one of these coupons.

Because estate planning and financial planning go hand-in-hand, I am planning to sponsor a free seminar for all of my estate planning clients this fall on the subject of planning for the costs of education. Please contact me if you would like to attend a seminar on that topic so that I can gauge how many are interested and what kinds of accommodations I need to arrange. My thoughts are to hold the seminar on a week-night with one or more speakers and the opportunity for questions to be asked and answered. The seminar would be at no cost to you and likely would be about one-hour in length.

Lastly, I hope you all remember that if you wish to change your guardian, executor and/or successor trustee nominations in any of your estate planning documents, I offer those change at no charge. Please contact me if you would like to make some changes to those aspects of your estate plan. In addition, if your estate plan does not include a revocable living trust and you would like to convert it to one with a revocable living trust, please contact me for my special "upgrade" offer for existing estate planning clients.

As always, if you have any questions or require any assistance whatsoever with your estate plan or have any other legal needs, please feel free to contact me.

Very truly yours,

Richard L. Collari Jr.