

**Law Offices of  
Anthony W. McLaughlin, P.C.**

Mailing Address:  
POB #137  
Burke, VA 22009-0137

EIN 54-1692707

Street Address:  
9274 Corporate Circle  
Manassas, VA 20110

Office 703-349-4471 FAX 703-349-4472

E-Mail: [Tony@AMcLaughlinLaw.com](mailto:Tony@AMcLaughlinLaw.com)

**Why You May Need Estate Planning**

**Disaster often strikes unexpectedly.  
Are you prepared to provide for your Loved Ones?**

Have you planned for your family's long-term future needs? You may not be able to predict the future; however, you can and should prepare for it! Every individual in Virginia should have, at a bare minimum, the following documents: a Will, a Living Will, a Durable Health Care Power of Attorney, and a Durable General Power of Attorney. These documents are necessary regardless of the size of a person's estate.

You should note that the last three documents, the Living Will, the Health Care Power of Attorney, and the General Power of Attorney, are for your benefit should you become disabled. They are designed to carry out your wishes regarding medical treatment and to allow someone to handle your assets until you recover without the necessity of having to obtain a court order.

However, you may need more than just the basic documents described above. This is especially true if you own and operate a business, own real estate outside Virginia, or if you wish to make special provisions for children or dependents. There are other circumstances that require estate and life style planning as well. The only way to know for sure is to have an attorney review your situation in detail and to have them coordinate that review with your other advisors such as your insurance agent and accountant. All too often the efforts of the insurance agent, accountant and attorney have not been properly coordinated and as a result the careful planning, effort and expense incurred by the client and his advisors have been for nothing, with the result that the outcome turns out to be something quite different than what the client had intended.

Estate planning involves collecting the relevant information concerning your financial and personal affairs and analyzing it with a view toward carrying out your wishes and attempting to preserve and increase your wealth, while at the same time attempting to reduce your risk and the effect of taxes. Various ways are used to obtain these objectives, including Living Trusts,

**Law Offices of  
Anthony W. McLaughlin, P.C.**

Mailing Address:  
POB #137  
Burke, VA 22009-0137

EIN 54-1692707

Street Address:  
9274 Corporate Circle  
Manassas, VA 20110

Office 703-349-4471 FAX 703-349-4472  
E-Mail: [Tony@AMcLaughlinLaw.com](mailto:Tony@AMcLaughlinLaw.com)

Insurance Trusts, and Qualified Terminable Interest Trusts. (The Living Trust is the famous "how to avoid probate" trust you may have heard about), purchasing various types of insurance policies and other financial products.

Business owners who fail to do estate and succession planning may be forced to sell their business to pay for long term care should they suddenly become ill or disabled. In addition, when a person dies leaving a sizeable estate taxes will have to be paid on the persons estate within nine months of their death, which often forces the surviving spouse to sell the business at a drastically reduced price in order to raise cash to pay the estate tax that is due. People are often shocked at the value placed on a business for tax purposes by the I.R.S. and state tax authorities.

A business owner might like their children or their spouse to carry on the business after their death, or even expect that the business will continue and thus continue to provide a source of income for the family but if their isn't sufficient cash available to pay estate taxes then the business will often have to be sold leaving the survivors without the expected source of income. Likewise, if provisions haven't been made as to who will run the business in the event of the long term disability or death of the business owner the result is often that the business must be sold.

Another often overlooked problem area is that of cash flow or cash reserves. Many businesses rely heavily on the personal credit of their owners and on credit lines personally guaranteed by the owners or principals. All too often upon the sudden death or long term disability of the owner or principal the credit line will be frozen or even cancelled by the lenders and demands for sudden repayment in full will be made to the business and/or heirs.

The types of problems discussed above can often be avoided by estate and life style planning and the proper use of various planning techniques, including the purchase of insurance.