

Cohen and Burnett, PC Legacy Analytics, LLC

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Estate and Financial Planning Update



Founding Partner

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I'm relieved to report that the Uniform Trust Code Portfolio is finally off to BNA, the publisher. Now I am working on a much shorter article to be published in the National Academy of Elder Law Attorneys (NAELA) law review, also on the UTC and it will be published in the fall. That done, work begins on a book that should have a more general appeal. It's a guide book for non-legal people who are appointed as trustees.

In other news, now that the big book project is out the door, Michael, Rachel, and I have projects that we are working on together. I love being able to spend time with them doing this. Training continues for the Mt. Rainier climb this summer, and for two "century" (100 mile) rides this fall.

Kathy is finished with her latest teaching project and is now looking at getting back to her favorite hobby, painting.

Michael is coming down the home stretch at T.J.H.S. where junior year is considered to be the hardest. He will come up for air in mid-May after the AP exams. Next year he will be the editor-in-chief for his school's magazine, Threshold.

Rachel is gearing up for two tough years as full IB at Marshall High School, where she takes the most challenging courses available. She will still be in band and swim team too. By the way, we did take the train to New York on her birthday weekend and saw "Wicked," toured the city, and had a grand time. I would do it again in a heart beat.

Do You Need Professional Financial Help?

Thinking about your financial plan for the future can be fun and exciting. Taking the correct financial steps to get there can be perplexing and complex. Today's demands on both your time and money are growing and most people are turning to professionals to help them figure out what to do.

Need help?

It is generally not a question of if you will benefit from professional financial assistance, how much you will benefit will depend on your unique situation. An apt analogy is your car or your health care. Many of us take our car to a certified mechanic for diagnosis, maintenance and repair. We handle our health in the same manner. While many of us would have no problem taking an aspirin for a headache or adding oil to our cars, we are wise to leave the complex and far reaching aspects of these things to highly trained professionals.

Why seek help?

Consumers seek the advice of financial professionals for same reasons that they see mechanics and doctors.

- **A Lack of Time**

Dealing with financial matters takes time. Financial planning has become more complex and certainly the tax code has not become simpler. Most people put off what is difficult and attend to the daily matters of life. It makes perfect sense to seek out the people who can provide the guidance, information and discipline you need. The difficult decision-making will actually become easier since the professionals can help you to see the big picture of your wealth management.

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The firm continues to grow and prosper. Tax season was the most challenging to date as we found many more clients affected by alternative minimum tax. In addition, our many clients in Dunham experienced exceptional returns in 2005 which lead to increased taxes with their increased investment income.

On the home front, my wife, Barbara, once again was coach of the Virginia MathCounts champion and will coach them in the National MathCounts Competition the second week in May. That makes six out of the last seven years that her team was the Commonwealth Champions. So the team gets to travel all the way to Arlington for the finals. Our firm is sponsoring them with shirts and jackets.

My son David recently put the finishing touches on a 73-page note entitled "Judging the Aesthetics of Billboards," which explores the cultural and legal history of billboard regulation. He comes from a long line of writers going back to his great-grandfather, who published three books. He will be working for large international firm in New York City this summer and hopes that one month he is in London, where we were stationed for three years.

My son Edward is coming up on two years aboard his ship, which just came out of the shipyard after its post-deployment overhaul. They passed their engineering tests with flying colors and he is now aiming for a navigator position on his current or another Norfolk-based destroyer, so that he can continue to see his fiancé, Praneet, in McLean, before she starts her MBA Program at Columbia University where her father graduated number 1 in his class some years ago. Her tuition bills are unreal.

Our daughter Jennifer continues on track for her Masters in Psychology and will graduate next spring. She starts applying this fall for PhD programs. We are running together as father and daughter in a 5K road race in early May for which she is training.

In preparation for Mt Rainier in June, Mark and I have taken some trail hikes in the Shenandoah's, as well as in the mountains east of San Diego with crampons in the snow. We have been told the odds are about 50/50 that the weather will permit us to actually climb to the summit. Wish us sunny skies with light wind.



Terrorist Humor

Did you hear about the terrorist that hijacked a 747 full of lawyers?

He threatened to release one every hour if his demands weren't met.

Financial Crimes against the Elderly

Our elders are the fastest growing segment of our society and they are also an important part of our country's economy. We are living longer but we as a society do not always recognize this population as being at risk. America's growing senior population is uniquely vulnerable to a broad range of exploitation and abuse. Financial crimes in particular are targeted at seniors with alarming frequency, and are all too often successful.

For a number of reasons it is hard to measure how widespread the problems are. States vary in their definition of "elderly," there is no national repository of crime statistics like the FBI uniform crime reports or the national victimization survey specific to elder financial abuse, and there is widespread agreement that fraud in general is dramatically underreported. The few existing studies of consumer fraud estimate that between 20 to 60 percent of adult Americans report being a victim or attempted victim of fraud. In 1998, the National Center on Elder Abuse estimated that nearly one third of all elder abuse cases involved financial exploitation. In 2000, the US Senate Special Committee on Aging reported \$40 billion in losses to telemarketing fraud.

Over the past year, The COPS Office has invested nearly \$2 million nationwide to address this major crime problem. The COPS Office is expanding its support of the National Sheriffs Association for the [National Triad Program](#). The Triad program partners law enforcement and senior citizens together to reduce crime and the fear of crime. COPS funding will be used to expand and enhance the Triad model nationwide by increasing the number of communities that participate in Triad and by increasing the number of training opportunities and scope of national support programs. The COPS Office is also providing assistance to Virginia Attorney General's office to expand their state Triad program. And, COPS is providing major funding for the Iowa Elderly Fraud Prevention Program to increase the resources devoted to prosecuting those who victimize senior citizens.

Our Client Saved Over \$200,000!

NO LAUGHING MATTER

WILLISTON, N.D. - A man wearing a ski mask walked into a bank and demanded money, then told tellers, "just kidding," authorities said.

Ryan Wright, 20, surrendered to police Monday night, said Sgt. Mark Hanson, a Williston police detective.

Wright was formally charged Tuesday.

Apparently, you're not supposed to do that kind of thing. The police don't really have a sense of humor about it.

After Wright announced the bank tellers were "Zapped," he then went right back to his banking business by withdrawing some money from his checking account.

A judge slapped Wright in jail with a \$1,000 bond and ordered him to stay away from any liquor stores and bars.

One Columnist's Opinion

Mark Cohen was recently interviewed by a columnist, David Grau, for Financial Planner, the magazine that is read most widely by financial planners. He advised us that he has followed over 100 firms over the years that provided legal, tax and financial services, but none where the principals actually had the training and degrees in each area like we do. His message to us was that we were truly the only such organization that he had encountered nationwide. We found that both surprising and a pleasure to discover.

The following story happens all of the time with us, where a client exercises a little foresight. A husband and wife came to see us last December. One had been diagnosed with cancer and the prognosis was poor. They wanted to review their documents to make sure the documents reflected their wishes on trustees, beneficiaries and end-of-life medical decisions. We also reviewed how they had titled their assets and discovered they needed to change some accounts to ensure that they avoided probate. In doing so, they saved the surviving spouse at least \$10,000 and a couple years of potential paperwork. In addition, their titling process ensured that they received optimum treatment on the step up in cost basis on one spouse's death. They thereby ensured that the surviving spouse had avoided an estimated \$200,000 in capital gains tax. The surviving spouse had greater flexibility on when to sell the residence and their securities. Please keep this story in mind and come see us if you need our help to plan well.

Stupid Criminal Moments



DES MOINES, Iowa (AP) - Kimberly Du landed in a *grave* situation after police say she tried to avoid traffic charges by faking her death. Du, 36, of Des Moines, faked her death in December, court records show.

Someone claiming to be Du's mother used a pair of forged documents, including a death notice printed on a newspaper Web site and a letter purported to be signed by Du's mother, to persuade court officials that Du had died, records show.

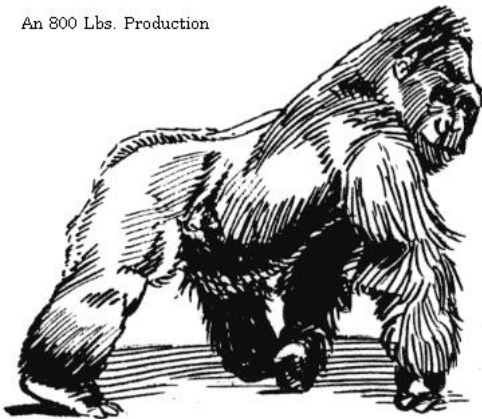
She was actually able to get away with it for awhile. The judge tossed out the charges as soon as she learned of her death. But what was her not-so-fatal mistake? She got pulled over again. She reportedly told the officer, "But officer, I'm supposed to be dead... Whoops."

She received a felony charge of forgery for faking her mother's signature, a \$50,000 bond and the death penalty. Sweet, sweet irony...

What Are Your Chances of Being Audited?

According to IRS statistics, a total of 1,215,308 individual income tax returns were audited during fiscal year 2005 (Oct. 1, 2004 through Sept. 30, 2005) out of a total of 130.6 million individual returns that were filed in calendar year 2004. This works out to 0.93% of all individual returns that were filed. In the prior fiscal year, 1,007,874 returns were audited; the audit rate was about 0.77%. The IRS News Release announcing the Data Book points out that the number of audits rose almost 21% year-over-year. Of the total number of returns audited, 521,872 (42.9%) were selected on the basis of an earned income tax credit (EITC) claim.

An 800 Lbs. Production



A Professional Opinion

You may feel with certainty that you've made all the right decisions about finances, it might still be wise to check with a CFP™ to ensure your best chances of success. Many financial pros help with overall financial planning; they also offer assistance with project specific issues, from researching long-term care insurance to planning a strategy for your retirement income needs.

- **Specific Expertise**

You may be comfortable selecting a bond, but not know what to do when it comes to exercising a stock option. Maybe you're interested in having a better tax strategy and desire a professional analysis of the available options. There are people and company's whose focus is on these specific areas and it can be a real life saver to take advantage of their expertise.

- **Sudden Change in Lifestyle**

Many events can cause to take a look at your overall financial situation. The birth of a child, an unexpected inheritance, a life threatening illness, a new business venture, the loss of a loved one to name a few. The financial professional can often be a voice of calm and reason during these times when we are sometimes not at our best.

The Relationship

The services of Financial professionals vary widely. Some are really just insurance agents who sell annuities or life insurance and do not mention what kind of commissions they are making off your insurance or securities purchases. Some have no licenses to sell anything; they just do financial plans. Almost none help you do your taxes or any legal documents. They refer you out to do those tasks. They stick to helping you find the financial products that implement the plan. Where we consider ourselves unique is that we have the certification as Certified Financial Planners™, and the advanced proprietary software to prepare the plan and then fully execute whatever you decide. Then we can ensure that all accounts are properly titled to match you financial and estate plan and prepare the taxes using the data from your investments. Further, we remain at your side as advisors going forward so there is a continuing relationship not just a couple of isolated transactions.

Any good financial professional you hire should address the issues with which you need help, be honest and ethical, and provide the answers to your questions promptly and clearly. If you are in need of help on these matters and want some peace of mind, please come sit down with us and let us see how we can help you.