

# The Times

*A Publication of:  
William Rambaum & Associates, P.A. and  
WR Wealth Care, Inc.*

## INSIDE THIS ISSUE:

Medicaid Update	2
Family Values	2
New Faces	2
Tidbits	3
Real Estate: Boom or Bust?	3
The Tax Harvest	3
The Emotion of Investing	4

## A GIFT WORTH GIVING

Robert and Natalie are in their seventies. They live a nice life and are pretty confident that they will not outlive their savings. Their children have also done well for themselves. One is a doctor and the other is the CEO of a good sized company. In other words, they are comfortable.

Robert is a cancer survivor and Natalie is grateful that he is still with her. They have plenty to be thankful for.

In their Wills they had originally planned to leave everything that they had left in their estate to their children. Remember their children are doing very well for themselves. After Robert's fight with cancer, he's had a change of heart. Robert came to us for advice on how he could leave money for cancer research. After

all, a child fighting cancer would benefit more from a charitable gift toward cancer research than their well-off children. Robert and Natalie discussed their plans with their children who agreed and encouraged their wishes.

We have come to realize that a person's passing is an opportune time to communicate to their family what their true values are. Through a statement in our Wills, the donation of a car, property, money, etc. we have an opportunity to help one another in a way that doesn't involve government, tax revenues or bureaucracy. A simple gift can help someone else, and help you. Few realize the tax benefits of helping their fellow man. Planned giving is an area of estate planning that we have



embraced in our practice. It is not mandatory, and it is not a point of judgment. It is simply one more question that we are going to ask our clients when we review their wishes.

If you are interested in making a charitable gift, we have met with many local and national charities as well as churches over the course of the last few months and would be happy to provide you with information.

## Let's Talk!

**September 27, 2006**  
Senior Health and Wealth  
Workshop with The  
Alzheimer's Association  
The Palms of Largo  
1:00 pm - 2:00 pm

**October 26, 2006**  
The New Estate Plan  
Westchester Gardens  
10:30 am - 11:30 am

Call: 727-772-1272  
For more information

## SENIOR LIVING

We've been busy over the past few months. Not only have we been meeting with charities, we've been meeting with Senior Living facilities. We've been meeting with them for two reasons.

1. We are on the speaking circuit again and we are planning several engagements in the area. Check our Wealth Care Website for upcoming dates and times. [www.WRWealthCare.com](http://www.WRWealthCare.com)
2. We wanted to get a feel for some of the new and renovated properties in the area.

You know what we learned? There are some truly great senior living properties out there! We've seen great apartments, great activities, great pools, great food, and more! If your mental picture of senior living is a bunch of white walls with hospital beds, you owe it to yourself to get out there and see what's new. You'll be surprised and you may find something you like.



## STORIES FROM THE FRONT LINES

### *Medicaid*

Joe and Donna have been married for 52 years. They have a house, a car, and \$300,000.00. Donna recently was admitted to a nursing home. And Joe had a heart attack. Through detailed planning, we were able to obtain Medicaid assistance for Donna while securing the assets for Joe's needs their family's eventual inheritance.

### *Stock Certificates*

Mary and Tom spent the past 20 years acquiring stock certificates and putting them in their safety deposit box never to be seen again.

That stock lost 20% of its value without Mary and Tom knowing it. We put that stock into a brokerage account with beneficiary designations to avoid probate, they took advantage of a tax loss, they diversified their portfolio



and now they get monthly statements showing them the value of their investments.

### *Gift vs. Inheritance*

Bob owned a large parcel of vacant land. On his deathbed, Bob signed a Deed gifting the property to Jack. After Bob's death, Jack sold the property for

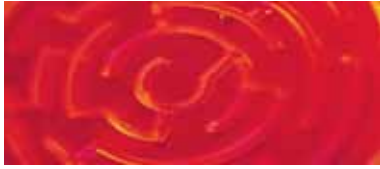
## NEW FACES

You may have heard that we are losing a family member soon. Melissa Beck is moving to Tennessee... someday. We say that jokingly. Melissa and her husband bought a home in Tennessee to be closer to family. There's just one hitch. They have to sell their old home. It's the details that get you every time. In planning for Melissa's pending move, we've added to our family. Shelley Weber has joined us and will be handling Probate and Guardianship cases. Shelley comes to us with

17 years experience at a firm in Clearwater and looks forward to many years to come with us. She has been married 25 years and she and her husband are about to become empty-nesters as her two daughters are starting law school in the fall. She enjoys reading, decorative painting, and watching sporting events.



# MEDICAID



St. Pete Times columnist, Howard Troxler, stated, in his column on Sunday, June 18, 2006, that a 65-year-old individual has a 40% chance of requiring nursing home care. As to who pays for this care, he observed that the typical scenario for the vast majority of elderly people is that they will pay for it themselves until they go broke at which point the taxpayers, through Medicaid, will take over. Nursing home care may be the worst case scenario, but even residing in an assisted living facility, costing \$2500-\$4000 per month is prohibitively expensive for most retirees.

Instead of addressing the financial plight of the elderly population in need of such care, our government has created a hodgepodge of programs through various agencies and made it extraordinarily difficult to identify or understand the benefits that may be available. I have spent the past 10 years of my legal career becoming educated in that area of law, and have obtained certification as a specialist in that area by both the Florida Bar and the National Elder Law Foundation.

The Federal Deficit Reduction Act, which took effect on February 6, 2006, included numerous "reforms" of Medicaid, which amounted to nothing more than additional limitations and restrictions on several of the few options the

elderly had to preserve some assets while still qualifying for financial assistance. At this point, Florida has not yet implemented the changes in federal law. But even when that occurs, there will still be planning options available to preserve and protect some assets. But the complexity of those planning options will necessitate the assistance of a lawyer skilled in this area of the law. Insurance agents and social workers just won't be able to provide the guidance necessary.

As always, our office is committed to helping our clients navigate through the complex government bureaucracy to obtain the assistance and still preserve and protect their assets.

---

# FAMILY VALUES

We've said it before, and we'll say it again. If your kids don't have an estate and retirement plan, they need one.

OK. They're too busy. They can't afford it. They just can't get around to it. There's one problem there. Busy people don't get a pass on death. They don't get to the Pearly Gates, meet St. Peter (or whomever your belief is) and get sent back because they wanted to buy a new

TV rather than a Will, or they were "too busy".

They need a Will. They need a Power of Attorney. They need a Living Will. They need a Health Care Directive. They need a retirement plan. They can't afford not to have these things in order.

Why?

In the words of Benjamin Franklin, "Nothing in life is certain except death and taxes".

We're all going to die. We're all paying taxes. The objective is not to pay too much in taxes, run out of money, or die too soon.

You never stop being a parent to your children. Persuade your kids to see a lawyer and a financial consultant to have a comprehensive estate and financial plan put together. Sure, they'll whine and moan. That's what kids do. But they'll thank you when all is said and



done. And if they come to see us, we'll be sure to tell them to thank you.

# LOOKING FOR A SPEAKER?

Are you looking for a speaker? Bill and Dan are out on the town. We are currently scheduled to speak at two senior communities in July, and we are setting dates with other senior communities, homeowner and condo associations and others.

We believe in the value of good legal and financial advice and we are more than happy to come speak

to groups about it. Financial Clubs, Women's Clubs, Men's Clubs, Country Clubs, Golf Clubs, you name it, we're more than happy to come and speak.

Call Korey Meyers to set up a date and time. (727)772-1272



---

## CASE IN POINT



We've said it, and we'll keep saying it.

Trust is so important in legal and financial matters. Who can you trust?

On February 5, 2006, The St. Petersburg Times published an article about a couple that had invested \$250,000 and lost it all. How? They invested their hard earned money with a company called First Liberty Group. It seems that the couple went to First Liberty Group based on an ad that they saw for CD's. Once they got there, they were sold a viatical investment. In these, investors put money in to buy life insurance policies

from people that are in poor health. They pay the person a percentage of their death benefit now in exchange for being named as the owner and sole beneficiary of the policy. The theory being that the investors will receive their money back, and then some when that person dies through the full payment of the death benefit.

Confusing? For many, yes. For even more, the claimed returns appear almost too good to be true. My mother told me that if something is too good to be true, it probably is. First Liberty Group filed for bankruptcy. The company that they

sold viatical investments for is in receivership after being shut down by the state for \$1-billion in investment fraud.

The article goes on to state that, "First Liberty Group was an insurance agency, not a brokerage, and apparently escaped regulatory scrutiny..." We are in an aggressive investment environment.

There are unscrupulous people out there that will do anything to get their hands on your money, for their benefit. Go to someone you can trust with your investments. Consult your attorney.

# TIDBITS

## Signs of Life...

In a men's clothing store: "15 men's wool suits - \$100 - They won't last an hour!"

On a plumber's truck: "We repair what your husband fixed."

At an optometrist's office: "If you don't see what you're looking for, you've come to the right place."

On a fence: "Salesmen welcome! Dog food is expensive!"

## Quotes

"Why don't they make the whole plane out of that black box stuff?"

- *Steven Wright*

"The taxpayers are sending congressmen on expensive trips abroad. It might be worth it except they keep coming back!"

- *Will Rogers*



## HOW CAN WE HELP?

### EXTENSIONS

**Korey** ext. 19

**Shelley** ext. 16

**Wanda** ext. 21



## THE EMOTION OF INVESTING

You have a decision to make. Were your investments a business decision or an emotional decision?

This is the toughest question for people to answer. Time and time again we see clients come in that have either lost a spouse who managed their investments, or inherited money from a close relative. The problem is that in their minds, they are honoring their deceased spouse or family member by holding on to a stock. That "holding on" is an emotional decision and investing is not an emotional game. The investment deci-

sions made by the person who has passed-on may not be prudent today.

Investment options, rules, laws, taxes, interest rates, and markets change every day.

Consider this. Many people buy stock in the companies that they work for. They buy it at the market rate, or at a discounted rate. Years down the road they may not feel as comfortable owning that stock or they may feel that they could do better elsewhere, but they don't want to pay the taxes on the sale of the stock. When that person passes away, the

person they leave that stock to gets "stepped-up basis." The translation of that is that the person that inherits the stock only pays taxes on any gains earned from the date of the friend or relative's death. This is a great time to do what the original investor probably wanted to do all along!

Don't let emotional ties make financial decisions. Let us help you understand the facts of the situation to make a sound decision. Honor that friend or family member by making the right decision.



28960 U.S. Highway 19, N  
Suite 100  
Clearwater, FL 33761

Presorted  
Standard  
U.S. Postage  
PAID  
Tampa, FL  
Permit No. 3982

### **William Rambaum & Associates, P.A.**

Phone: (727)781-5357  
Toll Free: (800)958-8099  
Fax: (727)781-1387  
www.RambaumLaw.com

### **WR Wealth Care, Inc.**

Phone: (727)772-1272  
Toll Free: (866) WR-Wealth • (866) 979-3258  
Fax: (727)781-1387  
www.WRWealthCare.com

*Securities offered through 1st Global Capital Corp., Member NASD/SIPC*

## REAL ESTATE: BOOM OR BUST?

"There are two sides to every story." That's what most people will tell you. I submit to you that Real Estate has many more sides:

- 1. Lenders/Banks** - The availability of low cost and creative loans created tremendous demand for new homes, town homes, and condos. People that were not able to afford to own real estate at 8% interest rates were able to afford to own a home at 5.75% or lower if they used creative and risky alternative mortgage options.
- 2. Sellers** - With the increased demand for homes, people were cashing in. Sell one home for more than ever expected and buy a new home that they may not have been able to afford otherwise.
- 3. Buyers** - Anxious to lock in low rates, and seeing an opportunity for investment, buyers

were snapping up whatever they could get their hands on.

#### **4. Builders/Developers**

- The home buyers weren't the only ones taking advantage of low interest rates. Builders and developers borrowed countless dollars to build more homes, condos, and town homes.



**The Problem** - Developers and builders are still building, interest rates are rising, and those low interest risky loans are not so low any more and people cannot afford them. Supply is out weighing demand and prices are dropping. So the question is, "Should you be in real estate now?"