



## Estate Planning



**PORTER  
MORGAN** & ASSOCIATES

**Wealth Management**



Many people do not realize that estate taxes can deplete up to 50 percent of their total estate.[1] Taking appropriate steps to develop a sound estate plan could provide for effective preservation and transfer of assets to your loved ones. At First Allied Securities, Inc., we'd like to help develop an estate plan for you that ensures:

- > Efficient wealth management
- > Preservation and transfer of wealth
- > Realization of your wishes after you've passed away or can no longer make decisions for yourself
- > Valuable legacy for your family

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## Why You Need an Estate Plan

Estate planning involves more than just a tax savings for the wealthy. However, many people don't realize that they too could benefit from estate planning. After conducting an assessment of their assets, many are surprised to find that the value of their homes, businesses and investment accounts combined may make them more vulnerable to estate taxes than they realize.

Estate taxes are generally paid from one of four sources: cash reserves, loans, liquidation of assets or insurance proceeds. A solid estate plan may provide the liquidity your heirs will need to settle your estate taxes, minimizing

their financial burden. With a little planning, you can take steps that may ensure that your family has adequate funding to take care of any estate tax obligations. Additionally, a proper estate plan could help reduce the amount of taxes they might owe.

Finally, estate planning may help you to avoid probate. Probate is the process that transfers legal title of property from the estate of the person who has died. It usually ties up property for months, sometimes even a year, and could further deplete an estates value in legal and court fees.

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## Strategies for Preserving Your Wealth

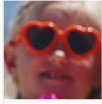
### **Life Insurance.**

There are many steps we'd like to help you take to limit the amount of your assets that may be subject to estate taxes. One such step is life insurance, which can be passed on to heirs, charities, and/or used solely to pay estate taxes, and is often exempt from income tax. As part of preserving your wealth, if life insurance is an appropriate option to help protect you and your family, we will be able to help you choose a plan that meets your specific needs.

### **Gift Giving.**

Another estate planning strategy lies in giving financial gifts. You could potentially reduce your estate tax liability and shelter subsequent





asset appreciation from estate taxation by transferring certain amounts of money per person each calendar year. Similarly, gifts could be made to qualified charities, educational or medical institutions. This strategy helps ensure that your money is left with those whom you want to have it, rather than with the government.

### **Living Trusts.**

We may also refer you to legal counsel to set up a living trust. A living trust is a legal document that serves the same purpose as a will, yet also eliminates the hassles of virtually all of the expensive costs and delay of probate. A living trust can reduce or even eliminate estate taxes. With a living trust, you transfer all of your property from your name to the name of the trust. While you still control the property because you remain the trustee of the trust, legally speaking, your trust owns the property. This leaves nothing in your personal estate to probate when you die or become disabled.

## **Individualized Planning to Meet Your Needs**

In developing an appropriate estate plan for you, we'll first assess your net worth to determine if you have a tax issue to address. Then, we'll review your assets and discuss how and where you'd like to have them distributed. This list may include friends, family or charitable organizations, or succession planning for your business. You may want to establish trusts for certain individuals who you believe need guidance in managing



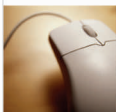
inheritance money you leave to them. Additionally, we may recommend and help you take measures to set up a will, living trust, power of attorney or living will.

At FASI, we can also refer you to a host of other specialists that provide ancillary services, such as estate planning attorneys. We'll work together with these specialists to help ensure all aspects of your estate plan are covered. Once we've developed and implemented an appropriate plan, we'll continue to work with you throughout the lifetime of that plan to accommodate your changing needs. Reviewing the plan regularly is one of these steps.

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## Lets Get Started

Estate planning is a lifelong process that involves a wide range of legal, financial, emotional and logistical issues. While this may often be awkward or uncomfortable, we'd like to help ensure that you and your family are protected. Handled appropriately, estate planning can be a positive experience that allows you to plan for your future, protect and



potentially leave a legacy for your heirs.

At First Allied Securities, Inc., we'd like to assist you in taking the steps necessary to protect, conserve and distribute your assets for the benefit of your loved ones. Please call us today at 817-281-7964 for an assessment of your estate planning needs.

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First Allied Securities, Inc.  
5587 Davis Blvd., Ste 100  
N. Richland Hills, TX 76180  
817-281-7964

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An Advanced Equities Company

This brochure is designed to provide general information regarding estate planning. It should not be considered as rendering legal, accounting, or other professional services. The use of trusts involves a complex web of tax rules and regulations. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

1. Based on Maximum tax rates. US TAX CODE, Title 26, subtitle B, CHAPTER 11, subchapter A, PART I, Section 2001. 50% is applied to amounts over \$1 million and the highest percentages of federal tax will decrease through 2010, unless extended by Congress.