

**Heckerling Institute 2007**

Reports from the event, as posted to the ABA-PTL List Serve

# Report #7

A complete listing of the proceedings and speakers is available on [the Institute's Web site](#)

As we have done in January for the last ten years, and again with the permission of the University of Miami School of Law Center for Continuing Legal Education, we will be posting daily Reports to this list containing highlights of the proceedings of the 41th Annual Philip E. Heckerling Institute on Estate Planning that is being held January 8-12, 2007 at the Orlando World Center Marriott Resort and Convention Center in Orlando, Florida, a new venue for the Institute this year. A complete listing of the proceedings and speakers will be published here later and is also available on the Institute's Web site at <http://www.law.miami.edu/heckerling>.

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EDITOR'S COMMENT: This will be our final Report for 2007. We hope you have enjoyed these Reports and found them to be both timely and informative. Please feel free to send us any suggestions or comments you may have for better Institute reporting in future years. We will see you again at the 42nd Institute in Orlando, Florida, January 14-18, 2008.

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This Report contains coverage of the various Vendors who exhibited during the Institute, a Report on the status of Special Session 2-E, and another Eratta regarding Special Session 4-B in Report 11.

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Special Session 2-E GRATs vs. Installment Sales to Grantor trusts vs. Direct Gifts: What Do the Numbers and Theory Say? Wednesday afternoon, January 10, 2007 Presenters: Jonathan Blattmachr, Robert Weiss and Diana Zeydel

Reporter: Jason Havens Esq. of Havens & Miller PLLC in Destin, Florida

The Report for this Special Session was not turned in time to be published. However, this Session built on the regular Session on the same topic that was presented by Jonathan Blattmachr on Tuesday morning, January 9, 2007. We refer you to the report for that Session, which was done by Reporter Paul Hood, as the same was published in Report #3.

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Eratta #2: At the end of Report #11 there was an Eratta regarding the Thursday afternoon Special Session 4-B Report by Joanne Hindel that was submitted to us for publication by Gideon Rothschild, one of the Presenters. Gideon has now submitted his own Eratta for part of his earlier Eratta submission, as follows:

Sorry for the confusion. I have made a typo myself. See below where I have noted in brackets. This should have said that it is Jay's presentation (not Matt's)

Matthew (THIS IS [NOT] JAY'S PRESENTATION) starts off by pointing out that many early Americans

came to the U.S. in order to flee onerous creditor laws in other countries and were themselves debtors. He also mentions that Thomas Jefferson might have drafted the first Asset Protection trust when he set up a spendthrift trust for his daughter.

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## Report on the Vendors

Reporter: Jason Havens Esq. of Havens & Miller PLLC in Destin, Florida

This report covers the software and some other vendors who are exhibiting at the Institute.

The number of software and other vendors at the 2007 Institute has expanded further. A complete list of those vendors was posted previously in the Preliminary Report.

Following are the highlights among the software and other vendors. These highlights are generally classified in categories that will hopefully prove helpful to list members.

### A. CALCULATION SOFTWARE:

There were not many developments to note in the calculation arena this year. However, one (Item #1 below) created quite a buzz:

1. DecoupleCruncher: Vince Lackner and Steve Leimberg, both well-known experts in the estate planning technology field, have created a new tool known as DecoupleCruncher. DecoupleCruncher will handle a wide range of calculations in order to determine estate or inheritance taxes due in a single state or in multiple states. The program handles deductions, including an optimized marital deduction (or the option to elect to pay estate taxes if desired), and allows you to reallocate assets among two or more states as well as to "Show or Refine Calculations." Vince and Steve have also included all relevant federal and state tables to assist you in understanding some of these rather odd results under various state regimes.

Vince and Steve held a lunch session to illustrate their new tool, which is based on the solid FileMaker Pro database platform that Vince uses for his 6-in-1 Estate Administration System. For more information, please contact The Lackner Group, Inc. (<http://www.lacknergroupp.com>) or Leimberg & LeClair, Inc. (<http://www.leimberg.com>). This program was just released at the Institute, so there is not even a direct website or link available right now.

2. Brentmark Software, Inc. (<http://www.brentmark.com>): Brentmark is adding state-specific inheritance and/or estate tax calculations to their product lines. The first release will be their Estate Planning QuickView, followed by Estate Planning Tools and others throughout 2007. This is a major project that Brentmark expects to be well-received by their customers. They are also renaming their Pension & Roth IRA Analyzer (to remove the obsolete term "pension").

### B. DRAFTING SOFTWARE:

There are a few new developments to share regarding drafting systems:

1. InterActive Legal Systems (<http://www.ilsdocs.com>): Wealth Transfer Planning (WTP) has been running on the HotDocs platform/engine for about two years. There have been several updates during the past year. I highlighted most of those updates in my Law Office Computing review (April 2006) of WTP ([http://www.ilsdocs.com/news/news\\_display.php?id=1037](http://www.ilsdocs.com/news/news_display.php?id=1037)) and the more recent Leimberg Information Services, Inc. (LISI) podcast.

There are several other items to highlight, however, regarding WTP. First, their "JumpStart Coaching" program, which is a free additional coaching session in addition to your basic training session (WTP 101: The Basics), is a very popular addition for current and potential WTP users. This program walks you through the actual preparation of your first set of client documents. Second, ILS offered a successful continuing education program last year. They intend to offer the next program in or about May 2007. Details will be forthcoming. Third, in conjunction with the National Association of Estate Planners and Councils (NAEPC), Jonathan Blattmachr will be speaking to various local estate planning councils across the country, which will include highlights of WTP.

The last (but not least) item is Jonathan's "Supercharged Credit Shelter Trust," which he has added to WTP. He highlighted this technique on Tuesday afternoon at the ILS booth. Jonathan's and Mitchell Gans' article on this technique is available on the ILS website:

[http://www.ilsdocs.com/docs/alerts/SuperCharged\\_Credit\\_Shelter\\_Trust.pdf](http://www.ilsdocs.com/docs/alerts/SuperCharged_Credit_Shelter_Trust.pdf). The companion to this technique, which involves the creation of a lifetime QTIP marital trust, resulted in an updated lifetime QTIP template, which is now available to current subscribers on the ILS website.

2. Lawgic (<http://www.lawgic.com>): Lawgic announced the future release of new Wills & Trusts products for New Jersey (Andy DeMaio's firm as editors) and Tennessee (Steve McDaniel's firm as editors). Lawgic representatives are also discussing a new, nationally-known editor for their California Wills & Trusts product. They hope to release the official news on the California ACTEC fellow's addition to the Lawgic team in the near future.

In addition to Lawgic's estate planning and drafting system, they are working on a Florida probate system. The system will prepare probate pleadings/documents in the same logical manner as the drafting system. Lawgic's Florida probate system is scheduled for release in 2007.

3. WealthCounsel (<http://www.wealthcounsel.com>): WealthCounsel is an ever-popular booth. The WealthDocs drafting system, which also runs on the HotDocs platform, saw several changes in 2006, as well as some developments in the WealthCounsel membership in terms of ancillary services to subscribers/members.

WealthCounsel implemented the transition of conduit trusts to accumulation trusts in the WealthDocs "Retirement Trust" library (consistent with Priv. Ltr. Rul. 200537044, obtained by WealthCounsel member Phil Kavish as represented by Robert Keebler of Virchow Krause, CPAs). For joint revocable trust plans, the same interview now includes ancillary documents for both spouses. There are also newly-expanded "Irrevocable Trust" options, including an ILIT designed to hold a second\_to\_die life insurance policy, either as a joint trust or an individual "spousal access" trust" (as supported by Priv. Ltr. Rul. 9748029). Finally, the WealthCounsel system implemented "Business Succession" documents in the library bearing the same name (including a buy-sell agreement and a deferred compensation agreement).

There are also new built\_in scenarios (or plan designs) throughout the WealthCounsel system, allowing for streamlined data entry and document generation. This is an important update that should allow users to increase their efficiency and productivity.

In 2006, WealthCounsel began their online WealthDocs training program using Microsoft Live Meeting, as well as monthly WealthDocs webcasts (available to members in the Knowledge Base).

In addition, I would like to note that Tom Ray, co\_founder of WealthCounsel, authored CHARITABLE GIFT PLANNING, which in my estimate is an excellent ABA RPPT Section treatise. (Tom is currently working on the second edition.)

C. TRUST ACCOUNTING & RELATED ADMINISTRATION SOFTWARE:

1. Gillett Estate Management Suite (GEMS) (<http://www.gillettpublishing.com>): In addition to my full review referenced in the first technology report this year, following are some updates regarding GEMS. Gillett Publishing has added five new state modules to GEM706 during 2006. They now currently support Illinois, Indiana, New Jersey, New York, Ohio, and Wisconsin. According to representatives of Gillett Publishing, more states are on the way.

Also, they added a Quicken interface to GEMAcct which permits the user to import asset and transaction information from brokerage accounts directly into the accounting module. This can save a considerable amount of time.

For more information, please visit the Gillett Publishing website, where you can download a free, fully-functional demonstration version of GEMS -- only limited in its printing capability.

2. FASTER Systems, LLC (<http://www.fastersystems.com>): New FASTER Systems products for 2007 are the addition of the New York and Connecticut Estate Tax modules. Both include state-level estate tax returns and applications for an extension to file and/or pay state-level estate tax. New York also includes an estate tax power of attorney and a tentative payment form. In addition, FASTER Systems maintains that their FASTER ASP is the only fiduciary accounting and estate/gift tax software offered in a secure, online, hosted environment.

#### D. RESEARCH SOFTWARE & SERVICES:

1. LexisNexis (<http://www.lexis.com>): Lexis introduced its new Tax Center, which streamlines research for those in estate planning and related areas. The "dashboard" separates the functionality of the new service into tabbed components, including "Research," "Get a Document," "Shepard's," "Tax News," and "Tax Forms." The research area is divided into primary and secondary/analytical sources. Under the "Estate, Gift & Trust" analytical sources, you can subscribe to the BNA Tax Management Portfolios and numerous other resources from CCH, Tax Analysts, Matthew Bender, and Kleinrock.

2. LexisNexis (<http://www.lexis.com>): Lexis also introduced its new Total Practice Solution for estate planning lawyers. This service is just being rolled out, so there is very limited information on this right now. However, based on their similar solutions in other areas of law, everything from calculations to drafting to practice/case management to research should be integrated. Please contact your Lexis representative for more details.

3. Lawyers USA (<http://www.lawyersweekly.com>): Lawyers USA offers client newsletters, which are personalized newsletters that also include an online component that law firms can add to their website or send via e\_mail. They have produced these newsletters for estate planning lawyers in the past, but recently have added two new practice\_specialty categories: real estate and elder law.

#### E. MISCELLANEOUS VENDORS:

1. Lucion Technologies (<http://www.lucion.com>): Lucion Technologies, which was founded by zCalc creator Jeff Pickard, featured a new addition to their FileCenter and FileBackup capabilities. FileConvert provides batch or bulk conversion of files currently in portable document format (PDF). You can set up a scheduled conversion, e.g., perform optical character recognition (OCR) during the middle of the night. This process converts image files, such as pictures (in TIF, JPG, or similar formats) and also image-only PDF files (that you have created using a scanner, which literally takes a "picture" of a document), into searchable PDF files.

2. Academy of Special Needs Planners (<http://www.specialneedsplanners.com>): The Academy of Special Needs Planners is a new national organization of attorneys dedicated to the practice of planning for people

with special needs. They are focused on providing members and the public with useful tools to assist them in the legal aspects of caring for themselves or their family members with special needs. There is also a public site: <http://www.specialneedsanswers.com>.

3. ElderLawAnswers (<http://www.elderlawanswers.com>): This site was founded by NAELA fellow Harry S. Margolis. It provides information to elder law attorneys and their clients.

4. Equity Trust Company (ETC) (<http://www.trustetc.com>): ETC is a leading custodial provider of self-directed IRAs and small business retirement plans. Due to recent legislative changes, ETC is offering a Roth 401(k) plan, which is available to anyone with a 401(k) or Solo(k) plan (without the income limitations of a Roth IRA).

5. Fort Pitt Capital Group (<http://www.fortpittcapital.com>): As a new vendor at the Heckerling Institute, Fort Pitt Capital Group, with offices in Pittsburgh and Naples, is a registered investment advisor with over \$1 billion in assets under management. They offer customized individual securities accounts, mutual fund portfolio management, and the Fort Pitt Capital Total Return Fund. Fort Pitt Capital Group does not offer trust services.

6. The Insurance Design Center, LLC (<http://www.insurancedesigncenter.com>): The Insurance Design Center's goal is to disseminate truth and accuracy to the advisor community regarding the life insurance industry. They seem to offer an abundance of information on premium financing (the good, the bad, and the scary!). The Insurance Design Center only acts in an advisory capacity and apparently does not sell life insurance products (e.g., "we simply offer advice").

10. Lincoln Financial Group/Lincoln Financial Advisors (<http://www.lfg.com>): As yet another new vendor at the 2007 Heckerling Institute, Lincoln Financial Group has received numerous honors in the financial planning industry. The Financial Planning Association recognized Lincoln as the first FPA Alliance firm. Lincoln acquired Jefferson Pilot last year to expand its insurance and financial planning platform.

11. National Philanthropic Trust (NPT) (<http://www.nptrust.org>): NPT provides "effective philanthropic solutions for individual donors, families, advisors, and financial institutions." NPT has extensive experience with supporting organizations and donor advised funds, both of which were discussed during the general and special sessions by Kathryn Miree and Jerry McCoy (in connection with the Pension Protection Act). NPT has lowered its fees on its donor advised fund, and is celebrating its tenth anniversary this year.

12. Northern Trust (<http://www.northerntrust.com>): New and noteworthy items at Northern Trust include: (a) a dedicated website, Wealth Advisor, offering around-the-clock access to information and Northern Trust resources to help advisors meet their clients' needs; (b) Delaware capabilities, providing full asset protection and administrative trust capabilities; (c) expanded access to Northern Trust Will & Trust Forms; and (d) enhanced investment solutions, including third-party manager solutions.

13. Private Family Trust Company (PFTC) Service by South Dakota Trust Company, LLC (SDTC) (<http://www.privatefamilytrustcompany.com>): South Dakota Trust Company, LLC highlighted their new website, which has been improved to address the common questions and concerns that families and their advisors face in pursuing a PFTC. SDTC serves as corporate agent and/or trustee agent for several PFTCs established in South Dakota.

14. Wachovia Trust (<http://www.wachovia.com>): Wachovia Trust introduced their new investment management platform. The Advantage investment advisory process is one of just a few offerings combining sophisticated investment products with the advice of a corporate fiduciary. Wachovia was selected as the 2006 Platform Provider of Year by Private Asset Management magazine as a result of this

innovative new option.

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Our on-site local reporters who are present in Orlando this year are Gene Zuspann Esq. of Zuspann & Zuspann in Denver, Colorado, Herb Braverman Esq. of Walter & Haverfield, LLP in Cleveland, Ohio, Merry Balson Esq. of Wade, Ash, Woods, Hill & Farley in Denver, Colorado, Paul Hood Esq. of L. Paul Hood Jr. (APLC) in Mandeville, Louisiana, Joanne Hindel Esq. of Fifth Third Bank in Cleveland, Ohio. Jason Havens Esq. of Havens & Miller PLLC in Destin, Florida, Alan Rothschild Esq. of Hatcher, Stubbs, Land, Hollis and Rothschild, LLP in Columbus, Georgia, and Kimon Karas Esq. of McCarthy, Lebit, Crystal and Liffman Co., LPA in Cleveland, Ohio. The editor again this year will be Joseph G. Hodges Jr. Esq, a solo practitioner in Denver, Colorado, who also is the Chief Moderator of the ABA-PTL List.

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