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FOURTH QUARTER | 2019

FROM KATHLEEN AND NICOLE

I recently returned from Iowa visiting my extensive family. The Frost family has been on the Iowa property for over 74 years. Iowa is all about family traditions, history, and connections.

As Estate Planning is the theme of this newsletter, I will share part of my story to illustrate the importance of this part of our industry.

When Don, Nicole and I traveled to Tanzania and Kenya 10 years ago, I talked with our estate planning attorney about our estate documents. When I asked our attorney what would happen if we all 3 died together-she told me the following: my 80 year old mother, still living on that Iowa acreage, would inherit our entire estate- the business, our residence and office and our vacation property. This was not a plan that she would have wanted, nor us. We quickly revised our will and established contingent beneficiaries for our retirement accounts, and created a plan to transfer our properties. We also named an independent trustee to become our personal representative to handle the probate of our estate and updated our contingent special bequest list.

We now review and revise our Estate Plan every couple of years as our family has changed greatly with 2 adorable grandchildren ages 2 and 4. There are now 529 education plans, bequeaths to charities, Required Minimum Distribution strategies for our IRA's and gifting strategies.

Reviewing and revising estate plans (wills, beneficiary designations, giftings, trusts and powers of attorney, etc.) are important for all of us.

I realize the significance of Iowa in my life- giving me the continuity, the value of family and traditions for today and in the future. Don, I and Nicole now have a legacy blueprint in place.

We encourage you to take the time and make plans for transferring your wealth, prized possessions and values to your family.

WHAT IS ESTATE PLANNING?

Believe it or not, you have an estate. In fact, nearly everyone does. Your estate is comprised of everything you own— your car, home, other real estate, checking and savings accounts, investments, life insurance, furniture, personal possessions. No matter how large or how modest, everyone has an estate and something in common—you can't take it with you when you die.

When that happens—and it is a "when" and not an "if"—you probably want to control how those things are given to the people or organizations you care most about. To ensure your wishes are carried out, you need to provide instructions stating *whom* you want to receive something of yours, *what* you want them to receive, and *when* they are to receive it. You will, of course, want this to happen with the least amount paid in taxes, legal fees, and court costs.

That is estate planning—making a plan in advance and naming whom you want to receive the things you own after you die. However, good estate planning is much more than that. It should also:

- Include instructions for passing your *values* (religion, education, hard work, etc.) in addition to your valuables.
- Include instructions for your care if you become disabled before you die.
- Name a guardian and an inheritance manager for minor children.
- Provide for family members with special needs without disrupting government benefits.
- Provide for loved ones who might be irresponsible with money or who may need future protection from creditors or divorce.
- Include life insurance to provide for your family at your death, disability income insurance to replace your income if you cannot work due to illness or injury, and long-term care insurance to help pay for your care in case of an extended illness or injury.

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"The post mortem squabblings and contests on mental condition….have made a will the least secure of all human dealings."

- Marshall D Ewell, Michigan 1885

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- Provide for the transfer of your business at your retirement, disability, or death.
- Minimize taxes, court costs, and unnecessary legal fees.
- Be an ongoing process, not a one-time event. Your plan should be reviewed and updated as your family and financial situations (and laws) change over your lifetime.

Estate planning is for everyone.

It is not just for "retired" people, although people do tend to think about it more as they get older. Unfortunately, we can't successfully predict how long we will live, and illness and accidents happen to people of all ages.

Estate planning is not just for "the wealthy," either, although people who have built some wealth do often think more about how to preserve it. Good estate planning often means more to families with modest assets, because they can afford to lose the least.

Too many people don't plan.

Individuals put off estate planning because they think they don't own enough, they're not old enough, they're busy, think they have plenty of time, they're confused and don't know who can help them, or they just don't want to think about it. Then, when something happens to them, their families have to pick up the pieces.

If you don't have a plan, your state has one for you, but you probably won't like it.

At disability: If your name is on the title of your assets and you can't conduct business due to mental or physical incapacity, only a court appointee can sign for you. The court, not your family, will control how your assets are used to care for you through a conservatorship or guardianship (depending on the term used in your state). It can become expensive and time consuming, it is open to the public, and it can be difficult to end even if you recover.

At your death: If you die without an intentional estate plan, your assets will be distributed according to the probate laws in your state. In many states, if you are married and have children, your spouse and children will each receive a share. That means your spouse could receive only a fraction of your estate, which may not be enough to live on. If you have minor children, the court will control their inheritance. If both parents die (i.e., in a car accident), the court will appoint a guardian without knowing who you would have chosen.

Given the choice—and you do have the choice—wouldn't you prefer these matters be handled privately by your family, not by the courts? Wouldn't you prefer to keep control of who receives what and when? And, if you have young children, wouldn't you prefer to have a say in who will raise them if you can't?

An estate plan begins with a will or living trust.

A will provides your instructions, but it does not avoid probate. Any assets titled in your name or directed by your will must go through your state's probate process before they can be distributed to your heirs. (If you own property in other states, your family will probably face multiple probates, each one according to the laws in that state.) The process varies greatly from state to state, but it can become expensive with legal fees, executor fees, and court costs. It can also take anywhere from nine months to two years or longer. With rare exception, probate files are open to the public and excluded heirs are encouraged to come forward and seek a share of your estate. In short, the court system, not your family, controls the process.

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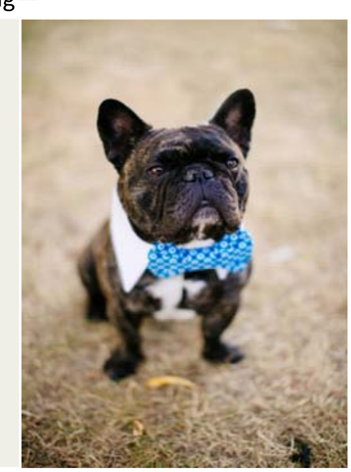
MARCEL'S MASTERMIND

Marcel loves Yogi Berra's saying—

"Always go to other people's funerals, otherwise they won't go to yours."



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Not everything you own will go through probate. Jointly-owned property and assets that let you name a beneficiary (for example, life insurance, IRAs, 401(k)s, annuities, etc.) are not controlled by your will and usually will transfer to the new owner or beneficiary without probate. But there are many problems with joint ownership, and avoidance of probate is not guaranteed. For example, if a valid beneficiary is not named, the assets will have to go through probate and will be distributed along with the rest of your estate. If you name a minor as a beneficiary, the court will probably insist on a guardianship until the child legally becomes an adult.

For these reasons a revocable living trust is preferred by many families and professionals. It can avoid probate at death (including multiple probates if you own property in other states), prevent court control of assets at incapacity, bring all of your assets (even those with beneficiary designations) together into one plan, provide maximum privacy, is valid in every state, and can be changed by you at any time. It can also reflect your love and values to your family and future generations.

Unlike a will, a trust doesn't have to die with you. Assets can stay in your trust, managed by the trustee you selected, until your beneficiaries reach the age you want them to inherit. Your trust can continue longer to provide for a loved one with special needs, or to protect the assets from beneficiaries' creditors, spouses, and irresponsible spending.

A living trust is more expensive initially than a will, but considering it can avoid court interference at incapacity and death, many people consider it to be a bargain.

Planning your estate will help you organize your records and correct titles and beneficiary designations.

Would your family know where to find your financial records, titles, and insurance policies if something happened to you? Planning your estate now will help you organize your records, locate titles and beneficiary designations, and find and correct errors.

Most people don't give much thought to the wording they put on titles and beneficiary designations. You may have good intentions, but an innocent error can create all kinds of problems for your family at your disability and/or death. Beneficiary designations are often out-of-date or otherwise invalid. Naming the wrong beneficiary on your tax-deferred plan can lead to devastating tax consequences. It is much better for you to take the time to do this correctly now than for your family to pay an attorney to try to fix things later.

Estate planning does not have to be expensive.

If you don't think you can afford a complex estate plan now, start with what you *can* afford. For a young family or single adult, that may mean a will, term life insurance, and powers of attorney for your assets and health care decisions. Then, let your planning develop and expand as your needs change and your financial situation improves. Don't try to do this yourself to save money. An experienced attorney will be able to provide critical guidance and peace of mind that your documents are prepared properly.

The best time to plan your estate is now.

None of us really likes to think about our own mortality or the possibility of being unable to make decisions for ourselves. This is exactly why so many families are caught off-guard and unprepared when incapacity or death does strike. Don't wait. You can put something in place now and change it later…which is exactly the way estate planning should be done.

The best benefit is peace of mind.

Knowing you have a properly prepared plan in place - one that contains your instructions and will protect your family - will give you and your family peace of mind. This is one of the most thoughtful and considerate things you can do for yourself and for those you love.

Source: https://www.estateplanning.com/What-is-Estate-Planning/

WHY ELDERS SMILE | David Brooks (NYT 12/4/14)

Ezekiel Emanuel posted an essay in ***The Atlantic*** saying that*, all things considered, he'd prefer to die around age 75. He argued that he'd rather clock out with all his powers intact than endure a sad, feeble decline.* The problem is that if Zeke dies at 75, he'll likely be missing his happiest years. When researchers ask people to assess their own well-being, people in the mid 20s rate themselves highly. Then there's a decline as people get sadder in the middle age, bottoming out around age 50. but then happiness levels shoot up, so that old people are happier then young people. The people that rate themselves most highly are those people ages 82 to 85.

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HERE ARE THE TOP ESTATE PLANNING MISTAKES TO AVOID | By Carol Roth

Nobody likes to plan for events like aging, incapacitation or death. But failing to do so can cause families burden and grief, thousands of dollars, and hundreds of hours.

It is estimated that more than 50 percent of all Americans don't have a will, and in our Future File business, we have estimated that less than 10 percent of the U.S. population has a complete legacy and wishes planning system.

Preparing for life's unexpected events is crucial but can often be a difficult process to navigate. Here are the top estate planning mistakes to avoid, according to industry experts:

1. Not having a will (or one that can be found)

The leading mistake is simply not having a will in the first place. As Kelly Dancy, an attorney at Walny Legal Group, says, "Estate planning is critically important to protect an individual, their family, and their hard-earned assets, during their lifetime, during any period of incapacity and upon their deaths. Everyone needs estate planning documents, regardless of the amount of assets that they have."

Despite knowing this, too many people put off gathering key documents together. Tim Hewson, president of USLegalWills.com, believes that "waiting for a 'more appropriate time' to put together your will is a mistake. Everybody should have a will. It should be written when you are young and updated throughout your life as your circumstances change."

In addition to having a will, it needs to be findable. The Wall Street Journal says that the biggest estate planning mistake is simply losing a will. Make sure your family has access to the documents that express your future wishes.

2. Neglecting to choose and update appropriate beneficiaries

When you have an asset that has a beneficiary designation, that will supersede anything written in a will.

Ryan Repko, a financial advisor at Ruedi Wealth Management, suggests that you review your 401(k), IRA, life insurance and any other accounts with beneficiaries after major life events.

He says, "The most grievous example [of a beneficiary issue] is when a married couple divorces, then remarries without changing the beneficiary to the new spouse. In this all-too-common and completely avoidable scenario, the ex-spouse is legally entitled to the assets, and a lengthy legal battle ensues on behalf of the new spouse and/or the children to claim the assets."

There are financial implications to think through as well. Sheri E. Warsh, a partner at Levenfeld Pearlstein, LLC also shares, "Without a proper beneficiary designation, income tax on retirement accounts may have to be paid sooner, which may lead to a larger than necessary income tax liability, and the designation of a beneficiary on a life insurance policy can impact whether the proceeds are subject to claims of creditors."

Daci L. Jett, managing attorney at Daci Jett Law LLC, identifies another mistake that impacts people with minor children. "A mistake people make is choosing a guardian for their minor children and then naming that person as beneficiary of their life insurance instead of leaving it to a trust for their child. A named beneficiary becomes the legal owner for all purposes of the life insurance proceeds and your minor child has no recourse to get that money. Plus, it exposes the money to the beneficiary's creditors and spouse."

Hilary Fuelleborn, an estate planning attorney with Luskus & Fuelleborn P.C., also says that not being clear about beneficiaries or ownership can create issues with the way the assets pass on to their heirs. She notes, "As parents get older, they will often put an adult child on a bank account to allow the child to pay bills for the parent. This can be a big mistake. Upon death of the parent, that joint account automatically becomes the property of that adult child, regardless of the will that may designate all property to be divided equally amongst all children. So, if there is $100,000 in a bank account that is joint with one child, upon the parent's death, that $100,000 belongs to that one child, regardless of whether that was the parent's intent."

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3. Overlooking the importance of powers of attorney for kids over 18 years old

While you may think that your kids are your kids, if they are adults in the eyes of the law and something happens to them, you may be left without power – literally. Sheri Warsh advises, "If an 18-year-old becomes ill or has an accident, a doctor will not speak to a parent if a power of attorney for health care is not in place. Similarly, unless a power of attorney for property is in place, a parent may not be able to take care of bills, make investment decisions and pay taxes without the child's signature. This could be very difficult when a child is in college, especially if they are out of the country." It is imperative that when your child turns 18 that you get those powers of attorney put into place.

MARK YOUR CALENDAR

- October was Cyber Security month, hope you enjoyed our bi-weekly email on Why Cyber Security is so Important.
- Did you know there are 91 National Days in November? You name it and there is a Day to remember it! By far our favorites are **National Men Make Dinner Day** (7) **Veterans Day** (11th), **Mickey Mouse's Birthday** (18th), **Thanksgiving** (28th, this year) and **National Personal Space Day** (30th), which you may need after all those Thanksgiving family gatherings.
- Miller Advisors has another Day for you to celebrate with us, Monday, November 11 is our Miller Advisors Seattle Seahawks Party, 5:00 PM Wild Rover, Kirkland. Please call our office to reserve your seat.
- **Last Day to Request your RMD is December 20, 2019**
- **Again this year, Miller Advisors will be making a charitable donation in lieu of a holiday party.**
- **Miller Advisors Closures for the Remainder of 2019:**

  Thanksgiving (28th) and Black Friday (29th)

  Christmas (24th, 25th and 26th)

  New Year's Day (January 1st, 2020)

IMPORTANT ESTATE PLANNING RECORDS

1. List of Professional Advisors
2. Copy of your most recent Last Will and Testament
3. Copy of your Trust Agreement
4. Insurance Policies (Declaration pages are important to copy)
   Life, Long Term Care, Annuities
5. Medical Records
6. List of Bank Accounts
7. List of Brokerage Accounts / Retirement Plan Accounts
8. Individual Stock Certificates, Bonds stock Options
9. List of Employer Benefits
10. Social Security Statements
11. Previous 7 years of Tax returns
12. Personal Papers: Birth & Marriage Certificates, Prenup Agreement, Divorce/Separation Papers, Military Records
13. Real Estate Owned/Partnerships
14. Safe Deposit Box location

For a complete list, ask Kathleen, Nicole or Kelli for the Raymond James Important Financial Records Brochure.

MILLER ADVISORS PORTAL VAULT

The vault feature of Miller Advisor's Wealth Management Portal allows you to safely and securely store important documents and files. Within your Vault there are several folders you can upload into directly.

This wealth management system employs advanced security features and protocols to keep our data safe, private and secure. Our comprehensive security measures include password protection, secure socket layer encryption, firewalls, intrusion detection, audits, inspections and more.

With each measure in place, you can be confident that your important documents and information is safe and secure.

For more information or to get started contact us for a login.

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FINANCIAL UPDATE

Here are selected rate of return numbers for the last two years and year to date as of 9/30/2019*

	2019 YTD Return	2018 Return	2017 Return
Dow Jones Industrials	17.51	-3.48	28.11
NASDAQ Composite	21.54	-2.84	29.64
S&P 500 Index	20.55	-4.38	21.83
Russell Midcap - US Mid Cap	21.93	-9.06	18.52
Russell 2000 - US Small Cap	14.18	-11.01	14.65
MSCI EAFE - International Large Cap	12.80	-13.79	25.03
MSCI Emerging Markets	5.89	-14.57	37.28
BBgBarc US Aggregate Bond	8.52	0.01	3.54
FTSE Treasury Bill 3 Month - Cash Alternative	1.78	1.86	0.84

(Source: Morningstar) *Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results may vary. Past performance does not guarantee future results.

STAFF NEWS

Congratulations!

- On August 10th Kelli and her husband Terry celebrated the marriage of their oldest son, Ryan and his new wife Tauren. They honeymooned for a few days in Cannon Beach and are now working part-time while attending college. It was a wonderful week!
- Kathleen recently visited her family in Iowa, where she and her brother received the Award of Distinction from the Iowa Barn Foundation for the restoration of their family barn.

Conferences and Continued Education

- August: Nicole attended the Raymond James Trust School in San Diego to expand her knowledge of trust and estate planning strategies.
  September: Kathleen attended the Raymond James Women's Symposium, meeting with leaders and industry experts to help women thrive in the financial industry. In addition, she attended the Women's Leadership Alliance Board Meeting.
- Kathleen was a featured speaker at the Teacher's of America conference, discussing how women can transition into and create a career in the financial industry.
- Kathleen, Nicole and Kelli attended the Raymond James Empower Conference in October to meet with other investment managers and Raymond James home office staff for updates on technology, financial planning, investment management, and practice management.
- David attended the Natixis Due Diligence event in late October for updates on the economy and investment markets.

CONTACT INFORMATION & DISCLOSURES

We would like to remind you that in the event you are unable to speak with someone at our office, you can contact Raymond James Client Services directly for assistance with your accounts at (800) 647-7378. We would like to thank those of you who have referred your associates, clients, family members and friends to us. Your referrals are personally and professionally the most satisfying way for our practice to grow. If you have any questions or feedback regarding the newsletter, please contact the office and let us know how we can improve our communication with you.

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Please email more than one of us to ensure a prompt response.