

Planning ahead can avoid estate battles

By AÏSSATOU SIDIMÉ
EXPRESS-NEWS BUSINESS WRITER

In the last two months, would-be heirs have waged protracted battles over the wills of two multimillionaires from the famed King Ranch clan.

The challengers portrayed Robert C. East and B.K. Johnson, great-grandsons of King Ranch founder Richard King, as easily manipulated when changing their wills. The lawsuits seemed to question the legitimacy of most accepted methods for leaving bequests, including wills, trusts, power-of-attorney forms and a videotaped statement.

The costly legal wrangling could

lead the average person to believe that no amount of planning can prevent battles between unhappy survivors.

Not so, says several financial planners and estate lawyers. People can take several steps before death to help convince a judge or jury of their intentions and mental capacity.

Plus, most wills go uncontested. "It's only in about 5 percent of cases — at the most — that they are contested," said Bill Bailey, an attorney certified in estate planning and probate law. Bailey handles mainly will contests and fiduciary litigations.

In those cases, family disputes erupted because bequests were perceived as unfair, lawyers say. In

Texas, the "natural disposition" of an estate means leaving assets to a spouse and descendants, then siblings, and only then outsiders.

Heirs expect to get an equal share of the estate.

"I try to guide them (clients) to where they treat everybody fairly," said Jorge A. Mariscal, a certified estate-planning attorney who helps families draft wills. "The problems come in when they don't want to treat everyone fairly."

Then, Mariscal recommends adding a brief clause into the will to explain why someone is getting less than others. For instance, if it's due to an un-

See PLANNING/2E

TIPS FOR AVOIDING FIGHTS AMONG HEIRS

- List all assets and debts by dollar value.
- Write a will specifying who gets what from your estate.
- Talk with spouse and children to explain decisions.
- Talk to potential guardian, executor or trustee to be sure the person is qualified and wants the task.
- Preferably give all immediate survivors something — even if the gifts aren't of equal value.
- State reasons for unequal or unusual gifts in a signed document or video.
- Get a doctor's exam when making

controversial changes to prove mental fitness.

- Use the same attorney when making changes.
- Use witnesses who are not named in the will and who receive no payment for services.
- Insert a clause in the will stating that anyone who contests will lose the inheritance.
- Review wills, powers of attorney and trust documents annually and periodically with adviser.

SOURCES: Bill Bailey, Nancy L. Thomas, Steven Bankler



Cinzia Pera (right) gets some help from her granddaughter, Desiree Harris, in a client's home in Citrus Heights, Calif. Pera runs her own concierge service, which involves putting a 'green' twist on personal outsourcing.

People outsourcing chores

Busy middle-class Americans turning to personal assistants to tackle tasks, including planning the perfect proposal.

By CYNTHIA HUBERT
MCCLATCHY

SACRAMENTO, Calif. — So, you don't do windows?
No problem. Someone else does.

Don't have time to stand in line for the toy that your child simply must have for his birthday?

No worries. It's covered. If you're willing to pony up, you can skip those chores and just about any others you haven't the inclination to tackle.

In our overscheduled society, even middle-class people are hiring personal assistants. And it's gone way beyond dog walking and grocery shopping.

Today, people of relatively modest means are outsourcing everything from

planning marriage proposals to standing in line to nab elusive PlayStations.

"Personal assistants used to be for Hollywood types," says Darren Berkovitz, founder of DoMyStuff.com, a new online marketplace that connects busy people with helpers willing to do just about anything. "These are personal assistants for the common man."

"It's a reflection of modern times," Berkovitz says. "We have all of this new technology that was supposed to make our lives easier, but we're busier and more stressed out than ever."

According to the United Nations International Labor Organization, workers in the United States put in more hours than any others in the industrialized world.

See DEMAND/3E



Cinzia Pera (right) and granddaughter Desiree Harris pick out Shady Lady tomatoes for a client at the Sunrise Farmers' Market. Pera offers clients environmentally friendly services like 'green living' consultations, as well as traditional offerings such as cleaning.

Invest funds immediately to save more

Question: Say I have a lump sum to invest — \$100,000. I've decided to put it into a fund like the Vanguard Wellington fund. Would you recommend

putting it into the fund in one shot, or dollar-cost average it into the fund over a period of time? My concern is that if you choose one day to put all the money in, you may have picked the wrong day and the market may be overpriced at that time.

— S.N., Spring

Answer: Repeated research has shown that the best time to invest is immediately in a lump sum, because the market rises more than it falls. Basically, the odds favor investing today over investing tomorrow. One of the best exercises to demonstrate this was done years ago by the American Funds group. They told the story of two investors. One had an uncanny knack for selecting the best day of the year to invest — the day prices were lowest. The other had an uncanny knack for selecting the worst day of the year to invest — he unerringly invested at market tops.

At the end of a 10- or 15-year period of annual investments, there is very little difference between the two investors. What is important is that they have invested over a long period of time. Any future investments you make will work to diminish the impact of having picked a bad day.

Q: My company recently changed our pension plan and froze the dollar amount under the previous plan. The new plan will probably be good for younger employees. But I am nearing Social Security age and had planned to retire by the end of next year or sometime the following year. I do not have time to recover the loss of lifetime monthly income under our new plan — and now am fearful the company may make more changes after I retire.

I am considering taking half of my lump-sum distribution and buy a lifetime annuity and investing the other half in a rollover along with my 401(k) funds. This plan, along with my Social Security benefits, should give me a more secure plan to last me the rest of my life.

Do you agree? Or I could take the full lump sum and invest it all. Taking 4 percent might run me a little short if the market is down. However,

See BURNS/4E



SCOTT BURNS

THE SHORT VIEW

This week

Today: Treasury bill auction.
Tuesday: Commerce Department reports on personal income and spending for June; construction spending for June. Also, Valero Energy Corp. reports second-quarter financial results.
Wednesday: The Institute for Supply Management issues its report on activity in the manufacturing economy for July.
Thursday: Commerce Department reports on factory orders for June.
Friday: Labor Department reports on July employment.

Market closings

 DOW JONES 13,265.47 (-208.10)	 Nasdaq 2,562.24 (-37.10)
 S&P 500 1,458.95 (-23.71)	 10-year bond yield 4.77 (-0.02)

Rough week: Stocks suffered another triple-digit drop Friday. The Dow logged a two-day plunge of 500-plus points, its worst week in nearly five years.

Pump prices drop

The price of gasoline dropped about 17 cents over the last two weeks, according to a national survey released Sunday. The average price for regular was \$2.88 a gallon.

Port Arthur refinery

S.A.-based refiner Valero Energy Corp. said a faulty storage tank at its Port Arthur facility Saturday released smelly vapors. The vapor flow has been stopped and production at the plant wasn't affected.

Cheapest stocks in years draw interest

Investors are preparing to snap up shares of health-care, phone and computer firms after last week's stock market rout left U.S. equities the cheapest in 16 years. D.A. Davidson, LPL Financial Services and Credit Suisse Group, which manage a total of \$771 billion, are bullish after the biggest decline in the Standard & Poor's 500 Index since 2002. The benchmark for American equity is valued at 15.4 times estimated profit, the lowest since January 1991.

MYSA.COM

Clocking in

'Clocking In,' a business news blog, has launched on MySA.com. It is about San Antonio and South Texas businesses and businesspeople. The San Antonio Express-News



business staff will update the blog constantly weekdays. If you have company or personnel news, links or photos, please send them to clockingin@express-news.net or visit the blog at blogs.mysanantonio.com/weblogs/clockingin.

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DID YOU KNOW: Design features on U.S. currency have historical and idealistic significance, but may not include the likeness of a living person and do not have sectarian significance. The design of paper currency, as well as the material used in its production, is determined by the Secretary of the Treasury.

— www.moneyfactory.gov

AREA YIELDS

As of July 27, yields and terms subject to change

Institution	Certificates of dep. \$1,000 denom.						Phone
	Money Market	6 mo.	1 yr.	2-2.5 yrs.	6 mo. 1 yr.	IRAs	
Air Force FCU	2.65n	5.50qs	5.30w	5.40w	---	5.30w	(210) 673-5610
Baptist CU	1.87	4.35	5.64	5.01	1.51	1.51	(210) 525-0100
Falcon International Bank	2.50v	4.75c	4.50	4.00	4.50	4.50	(210) 402-6143
Firstmark CU	3.00r	4.91cr	5.22fr	5.17r	---	4.70d	(210) 342-8484
First Community Bank SA	1.76d	4.06q	4.58q	4.84q	---	4.73p	(210) 403-1700
Pentagon FCU	3.66g	4.00	4.34	4.76	---	---	(800) 290-7328
Randolph-Brooks FCU	2.89j	5.06i	5.17i	5.22i	5.06i	5.17i	(210) 945-3300
River City FCU	2.50b	4.76r	5.51r	5.51r	---	---	(210) 225-6866
St. Joseph's CU	2.85r	4.65	5.03	5.04	4.65	5.03	(210) 225-6126
SA City Employees FCU	2.30n	5.00q	5.20q	5.20q	---	5.20a	(210) 229-1800
Security Service FCU	1.60n	4.65r	5.35r	5.30r	4.65r	5.35r	(210) 476-4000
SW Research Center FCU	2.25n	4.60g	5.10g	5.15g	4.60g	5.10g	(210) 684-0352
State Farm Bank	4.70m	5.00h	5.00h	5.30h	---	5.00h	(877) 734-2265
T.A.P. FCU	---	4.75g	5.40g	4.35g	4.75g	5.40g	(210) 593-1200
TexStar Bank	2.00	5.00n	5.25n	5.35n	5.00	5.25	(210) 659-4000
Western National Bank	3.58m	5.25n	4.30n	4.40n	---	5.25a	(210) 299-4181

Brokers
 First Security 5.36n 5.66nz 5.56n --- --- --- (210) 822-2467
 Footnotes: a - \$250 minimum balance; b - \$2,000 denomination or minimum balance; c - 7-month term; d - \$500 minimum balance; e - 14-month term; f - 11-month term; g - \$10,000 minimum; h - less than \$100,000; i - \$20,000-\$74,999 minimum balance; j - \$2,500 denomination or minimum balance; k - less than \$90,000; l - \$100 minimum; m - \$100,000 minimum; n - \$25,000 minimum; p - 18-month term; q - \$1,000 minimum; r - \$0,000 minimum; s - 9-month term; t - \$5,000 minimum; u - \$1,500 minimum; v - \$75,000; w - \$12,500 minimum; x - 15-month term; y - \$20,000; z - 8-month term

Any financial institution wishing to be included in the area yields should call the San Antonio Express-News Business News department at (210) 250-3263 or e-mail yields to cquinin@express-news.net.

Sources: Financial institutions

NATIONAL YIELDS

Here are some of the highest nationwide yields of five types of accounts, according to Money-rates.com. Yields are based upon method of compounding and interest rate on July 27. All yields quoted assume daily compounding. Individual banks may require monthly interest checks. Rates and yields subject to change.

Institution/area	Interest rate	Compound Method	Annual percent yield	Phone
Money Market account				
Everbank.com	5.84	Daily	6.01	(888) 882-3837
Ascencia Bank	5.27	Daily	5.40	(887) 369-2265
Nexity Bank	5.21	Daily	5.35	(877) 738-6391
Resource Bank	5.15	Daily	5.27	(877) 726-5463
Apple Bank	5.14	Daily	5.27	(800) 986-3343
6-month CD				
Umbrella Bank	5.35	Daily	5.42	(888) 250-1585
Advanta Bank	5.35	Daily	5.35	(800) 788-2632
Indymac Bank	5.32	Daily	5.46	(800) 750-8521
Imperial Capital Bank	5.31	Daily	5.45	(800) 455-4485
Virtual Bank	5.30	Daily	5.44	(998) 998-2265
1-year CD				
Virtual Bank	5.40	Daily	5.55	(998) 998-2265
Advanta Bank	5.40	Daily	5.40	(800) 788-2632
Ascencia Bank	5.37	Daily	5.50	(887) 369-2265
Indymac Bank	5.36	Daily	5.50	(800) 750-8521
Pacific Mercantile Bank	5.32	Daily	5.46	(714) 438-2500
2.5-year CD				
Advanta Bank	5.30	Daily	5.30	(800) 788-2632
Discover Bank	5.26	Daily	5.40	(800) 347-7000
Bank of Internet	5.26	Daily	5.40	(877) 541-2634
Everbank.com	5.16	Daily	5.30	(888) 882-3837
Interst National Bank	5.16	Daily	5.29	(212) 218-8383

Source: www.bankrate.com

Credit card rates are available at mysa.com/business by clicking on the Bank Rate Monitor link.



GRAHAM BARCLAY/BLOOMBERG NEWS

A euro coin spins across a background of euro notes, and U.S. dollars. This summer, the euro has been reaching all-time highs versus the U.S. dollar.

Celebrate the euro

It is not an overstatement to say that one of the biggest global events of the first decade of the new millennium was the conversion in Western Europe to a single currency — the euro.

That new currency is now only 8 years old and is the currency of 13 developed, independent and autonomous European countries. Huge differences existed and still exist between these countries, but a single currency definitely blurs the borders.

I'm reflecting about the euro, and its effects, as I take my own European vacation.

Anyone traveling in Europe over a lifetime has stories of distinct border crossings. I recall a train trip from Paris to Port Bou, Spain, where passengers had to disembark at the French border and to embark on a new train in Spain because of differences in the width of the train tracks.

Today, a bullet train is under construction from a stretch of Perpignan, France, to Barcelona, Spain, with no necessary transition, creating a rapid and smooth transition similar to the effect of the common currency, the euro.

The conversion to the euro occurred with some fanfare — not what was accompanied by the falling of the Iron Curtain, though the effect has been and will continue to be equally far reaching. Why? Probably a healthy dose of skepticism that the marriage of different cultures and governments to one currency could last.

Yet it has lasted. If you haven't traveled to Europe in awhile, don't even whisper of the francs, pesos or lira, or you will get blank stares. The currency is the euro, and "Euroland" residents are quite proud that it is now at all-time highs versus the U.S. dollar. Right now, the cost of 1 euro is \$1.36 U.S. dollars.

There are too many potential reasons to discuss why the U.S. dollar is weak relative to the euro and the British pound, but Europeans think they like a strong

currency. However, the next eight years still may be a test.

None of the 13 countries are big oil producers, which is a disadvantage. Also, there are still meaningful differences in productivity. The loudest complaints are likely to come from France and Southern Europe.

Growth in labor productivity in 2006 was highest in Finland among the European Union countries at 4 percent. Productivity growth in Spain and Italy were the lowest at 0.2 percent and 0.5 percent, respectively.

The European Union is like an exclusive club, where the desire to join is strong, but the cost of commitment is high.

My suggestion is that there should be an overdue celebration of the adoption of the euro currency on the part of the participating countries on their 20th anniversary, something akin to Bastille Day. If they still can commit to and embrace the idea of a single currency after the near-term challenges, it is a good sign for decades to come. They will have a rich and diverse economy with a strong tie, their currency.

In the meantime, the press about a strong euro vis a vis the U.S. dollar as well as terrorist concerns seems to have kept Americans away from Europe. In spite of the currency differences, I consider Europe a good value and like the way it caters to tourists.

And eventually, the exchange tide will turn. Currencies are volatile, and at some point the euro will weaken against the U.S. dollar.

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JEANIE WYATT
 MORE THAN MONEY

Teach kids about money

I asked my daughter, Veronica, to write today's column because it's about something she did that can inspire other parents. Hers is an important lesson about choices, one that grown-ups as much as children need to learn.

Let Veronica tell the story: We were in a toy store when my 6-year-old son, Aidan, started getting very excited. "They have it; they have it!" he shouted, holding a Thomas the Tank Engine Mountain Set toy.

"We're not getting that today, Aidan," I said. "It costs \$100." Upset, Aidan kept asking why. I realized he had no frame of reference for what \$100, or even \$1, meant.

I wanted Aidan to know that money itself is more valuable than anything he could buy because it represents choices. I also wanted him to understand that by choosing to buy a certain thing — a toy or book, for example — he also was deciding not to use that money for something else (as adults do when they splurge for a big plasma TV rather than put the money into an IRA).

Economists call this "opportunity cost." Adults face this kind of choice all the time, not just when deciding whether to save for retirement. My husband, Kyle, and I, for example, often discuss whether to go out to dinner as a family on Friday night, knowing it will mean having to cut back on lunches out during the week.

To teach Aidan about choices, I made him a book with printer paper titled "My Money Book."

"I earn money when I do chores. I can save my money to buy things," the book began. Using a page for each value, I pictured "Things \$1 can buy," "Things \$5 can buy" and so on, up to \$100, the cost of the Mountain Set.

I listed not only items Aidan really likes, but also things he uses but doesn't realize cost money: \$20 for a computer game or a pair of sneakers, \$30 for six books or a raincoat.

On the page for the \$100, I also included camping equipment, five computer games or 400 bouncy balls, and showed Aidan how many weeks of allowance he would need to save to have \$100.

His eyes widened when he realized he could get five computer games for the same price as a Mountain Set. "I could get five games?" he asked. I told him he could spend his money whichever way he wanted, as long as he had enough saved.

Teaching young children the discipline of saving can be challenging. "When children see something they want, they want it now. They can be very impulsive," said Phyllis Bye, a member of the Colorado Council on Economics Education who taught elementary-school-age children for more than 30 years.

"We often tell them, 'You have a quarter; you can buy this or you can buy that.' Often, we don't remind them of the choice to save," Bye said. "It's valuable to teach that while it may be satisfying to buy something right now, the opportunity to spend that money won't come back." Indeed, Aidan had been surprised that once money is spent, it is gone.

Bye suggests parents give children the opportunity to save toward a special purchase. "For every child it will be different," she said. Parents also can encourage saving by placing coin jars around the house and going to the bank together to see how much has accumulated.

I don't think Aidan is planning to buy the Mountain Set anymore. Interestingly, he hasn't bought anything since. Maybe "My Money Book" is working.



HUMBERTO CRUZ

Planning is key to avoid fighting among heirs

CONTINUED FROM 1E

paid loan, then the will should state the sum that's owed and have a copy of the loan attached.

In most cases, judges are loathe to overturn a properly executed will or trust document unless it can be proved the person was unable to make sound judgments when signing the documents.

For that reason, many will contests focus on the health of the deceased family member.

"That's because it's so easy to have undue influence as someone ages or is ill," Bailey said. "You can control their movements, take them to the doctor and can get much closer to them to convince them to do things."

In the East case, relatives pointed out that his health was failing in 2006 when he signed over control of a family wildlife trust, approved a \$500,000 payment and authorized a long-term contract paying \$11,000 a month to a ranch hand. He died less than a year later.

"I try to guide them (clients) to where they treat everybody fairly. The problems come in when they don't want to treat everyone fairly."

JORGE A. MARISCAL
 certified estate-planning attorney

Similarly, doctors testified that Johnson had suffered brain damage from years of alcohol addiction.

Bailey suggests having a doctor check the health of the signer either at the time that new documents are signed or within two to three weeks after.

In other cases, lawsuits have centered on the legal documents themselves. They have scrutinized the lawyers who draft the document changes — particularly if a new lawyer is involved — and the language used in the documents.

"In typical situations, they tend to use terms like 'I leave all my children an equal share of my estate,'" said Steven Bankler, a personal financial

specialist and certified forensic accountant who has testified in a will contest case. "If they have had a pregnancy outside the marriage, that's their child as well."

Bankler counsels his clients to list each child by name in the will.

Many advisers recommend videotaping an explanation for any major changes.

But that's not always effective. Johnson had made a videotape to explain why he cut his three children out of his will 10 years before his death.

Nancy L. Thomas, vice president of Frost Investment Services, says the key to any videotape or letter is to have truly independent witnesses to

attest that no coercion was involved.

In the case of unusual bequests, such as a client who wanted to leave his retirement accounts to his ex-wife because he felt she would use the money well for his children, Thomas had the father state his wishes on new beneficiary documents after the divorce.

"It shows that this was something that wasn't an oversight — but intentional," she said.

Thomas also tells her clients to review their estate documents annually and to have attorneys review them every five years.

Similarly, it is better to avoid leaving a person completely out of the will, lawyers say. Leaving a small gift, such as \$1,000, shows that the deceased intentionally wanted the person to have less.

Still, "if people are adamant that they are just not happy, nothing will prevent them from filing a will contest," Mariscal said.

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DILBERT



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