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Plan To Succeed...

**FOUNDATION
LEGACY
STRATEGIES**

COMPREHENSIVE LEGACY MANAGEMENT
AND PLANNING SYSTEM (CLMPS)[™]

...Then Succeed With Your Plan | Damion Ezell, Esq.

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PREFACE

CLMPS is a planning guide and consulting service. It will help you visualize your future, to organize your assets and property, to understand your worth, to protect your value, and ultimately to control the disposition of your life's work. If securing your, and your family's financial futures are important to you, then you should create and follow your own personal plan. That is the litmus test for whether or not you should even continue reading this guide, much less follow a plan.

Following the plan entails a prioritizing and regimenting of habits, which by definition changes your day to day actions. This, in turn, will require effort, vision and perseverance. If you do not have those three things in your favor, then you will have an almost insurmountable task ahead of you for which you will probably lack the determination to accomplish. But, if you have the drive and ability, and a secure financial future is important to you, then it is imperative that you begin to plan. Your plan will empower you to better manage your assets and property, preserve them while you are alive and after you're gone, and distribute them to the designated people at the right time.

Is it right for you? That depends. Are you an individual with assets exceeding the amount exempt from federal estate tax? Do you own a business? Do you have a minor child or are responsible for children from a prior marriage? Do you have dependents who are handicapped? Do you want to donate assets to a charity, institution or non-profit organization? Are you married? Are you gainfully employed? Is your personal financial stability important to you? Do you have the vision, effort and perseverance to secure your personal financial future? If you answered yes to any of those questions, then CLMPS is right for you.

Your legacy is much more than what you have earned; it's also what you have done and how people remember you. It is just as much about the lives that you have touched as it is about the things that you have acquired. That is why this process focuses on the impact that you would like to have on the world, in addition to managing your assets and property. The process is not just about what you have, but who you are and who you want to be. It is about your legacy as well as your estate.



INTRODUCTION: The Estate Planning Cycle

Simply put, an estate is everything and anything that you legally own or rightfully possess.

The Estate Planning Cycle includes the creation, growth, protection, control, management and transfer stages of an estate. The *creation* of an estate is the **legal or rightful acquisition of assets and property**, or just “*stuff*”. This *stuff* includes, but is not limited to: your clothes, house, car, money, jewelry, intellectual property, electronics, bank accounts, investments and anything else that you can legally and rightfully call yours. You are born into this world with nothing, but over time you can acquire your personal estate in a number of different ways. This is the easiest part of the process because more likely than not, you already have an estate since you probably have *some* stuff.

For posterity’s sake, let’s assume that you have absolutely nothing and you would like to create an estate. There are eight fundamental ways to create an estate, which we will refer to as the *creation* stage:

1. The most common way to acquire an estate would be to **purchase** something. This supposes, though, that you have money to do so, and if you have money you already had an estate when you attained the funds. Nonetheless, if you purchase stuff, you’re ready to begin the process.
2. The next way would be to **inherit** property. People who already have an estate, that know and care about you, may like for you to have the things that they have amassed over their lifetime once they are no longer here. Bequeathing their estate to you endows you with an immediate estate.
3. **Gifts** are a third form of acquisition. Unlike an inheritance which is received at another’s death, a gift is property that is acquired during that person’s lifetime. Once the property is given to you, it is legally and rightfully yours, leaving you with an estate.
4. **Marriage** is another common way of acquiring property. Once married, in most states, delineated portions of your spouse’s property becomes joint property with rights of survivorship. This means that both spouses now own the property in its entirety, and should one pass away, that property passes directly to the surviving spouse free and clear.
5. One may also **contract** to acquire an estate. If you have nothing, and make a deal to do or refrain from doing something that you have a legal right to do in order to receive something else, (also known as “giving consideration” or quid pro quo) then you now have an estate. As an example, you may agree to babysit your friend’s children if they agree to give you a coffee table. Though it may be viewed as an unorthodox agreement, once you have completed your portion and receive the coffee table, you now have an estate. A more common form of contracting allowing you to acquire an estate is obtaining **employment**, because once you have given your effort and are entitled to payment, you join the ranks of estate owners.
6. A lesser recognized or utilized method of acquiring an estate would be to **take possession of lost or abandoned property**. The world is full of discarded and lost items of value. By simply picking it up and taking possession of it, the property becomes yours for you to create or add to your estate.

7. Finally, **insurance** is an integral part of Comprehensive Estate Management and Planning. Once purchased, either by you or for you by another, you have an instant estate because your estate is entitled to a distribution upon the occurrence of a stated event.

The next stage after acquisition is *growth*. Growth is the **accumulation of assets and property**. Once you acquire an estate, the next logical step is to develop it. In order to attain your financial goals and life dreams, it is necessary that you begin to cultivate your assets and property so that you may begin to achieve objectives that you have set for your family and or yourself. The more resources that you have, the more likely you are to achieve those objectives. The process continues with your commitment to continuously build upon what you have, creating a war chest of tools for an inevitable battle that you will embark upon.

The growth of your estate can happen in the following manner:

1. Once you have an estate, any of the aforementioned **creation** methods may also help you to grow your estate.
2. **Appreciation** is the rise in value of an object due to a favorable change in market conditions. Generally speaking, one does not have control over the appreciation of certain items unless you take actions that would probably be considered unethical, if not illegal in your particular field. That being said, obtaining items that in your estimation will increase in value over time is another tool to help grow your estate.
3. Opening a **savings** or **investment account** and making consistent contributions is another way to help your estate grow. Though you will have to spend a portion of your income on your daily needs and wants, saving or investing a portion of that income is a step towards growth, particularly over the long term.
4. Once you have acquired employment, your **employment benefits** are an essential part of the remuneration that you receive in exchange for your effort and hard work. Taking advantage of those benefits is essential to fully utilizing the assets that you possess over your lifetime. One of the most common benefits would be to take advantage of an employer's 401(k) match.
5. Growth does not always mean that you will be adding something tangible, or intangible for that matter, to your bottom line. Your estate can actually grow by giving assets away. **Philanthropy** is a common way to do so. By giving assets or property away, it is possible to benefit from **tax incentives** created to encourage people to be generous and help others. There are also particular methods of **accounting** that are key to taking advantage of tax laws designed to benefit those who are aware of their benefits.

Once you have an estate and you have begun to grow it, it is vital that you have a plan in place to protect both your assets and income. *Protection*, plainly stated, deals with you **putting safe-guards in place to lessen or eliminate inevitable hazards** that will begin to erode your estate and your ability to grow it from the moment you acquire it. These hazards include, but are not limited to: depreciation, creditor's claims, lawsuits, probate, taxes, fees, expenses, inflation, death, disability, accidents and loss, to name just a few. The more foresight you have to prepare for these hazards, the more likely it is that you will be able keep more of what you've earned. Your job over your lifetime is to do battle with these hazards to be sure that you keep as much as you can of what you have earned. After all, it is yours.

Your protection plan will require you to build a figurative fortress around your estate, or take other offensive action that will spring into effect when an emergency, planned occurrence or inevitable tragedy takes place. Such a fortress and plan can be put into place using specific tools and techniques.

1. **Lock & Key** methods provide a level of confidence and safety that many people are familiar with. Actual lockboxes, safes, safe deposit boxes and alarm systems are physical ways to safeguard real and personal property to prevent theft, loss and destruction. This approach has been utilized since the beginning of mankind and is helpful in an overall plan of estate protection when it comes to physical items that need particular attention.
2. The greatest erosion of an estate will come in the form of debt and taxes, which is why it is imperative to have a **Debt and Tax Management** plan. These plans are as vital during your lifetime as they are after your passing. Controlling these estate nuisances is fundamental to a prosperous and successful plan.
3. **Insurance** was specifically created to be a protection device. The objective of insurance is to reduce some aforementioned risks, protect assets and protect income. By arranging for particular policies to be put in place, you can protect yourself and accomplish these objectives.
4. **Diversification** is the utilization of multiple avenues of asset management or investment and for the spreading of risk. This spreading of risk diminishes the chances of suffering from a complete loss due to a particular type of hazard.
5. A **Trust** is a legal device created for the management of property where one person (Grantor) transfers the legal title or power to administrate property in a specific manner to another person (Trustee) for the legal interest or benefit of another person (Trust Beneficiary).
6. **Final Expense Planning** provides as seamless a transition as possible when a person passes away. Preparing for last rites, winding up of personal/business issues, funeral expenses and the like allows for a dignified and burdenless conversion.
7. **Pre/Post-nuptial Agreements** are a smart way of documenting an understanding between two people who plan to share their lives together. Even though two people may be joining together in a union, an arrangement concerning the combining of estates allows for a relationship based upon a mutual agreement.

Control, or command of and influence over your assets and property, is as important as protecting it. Without the proper controls in place you run the risk of others taking action with your property during incapacitation, vulnerable periods or any state of unawareness that you did not envision. You can prevent this by drafting and implementing the proper documentation.

1. A **Will** is a testament of how a person desires to have their assets distributed upon their death. It allows you to control who administers your estate, how it is administered and who it is distributed to.
2. A **Living Will** is something separate from a Last Will and Testament in that it allows a person to have control over decisions relating to their medical care, particularly the decision to have death delaying procedures withheld or withdrawn in instances of a terminal condition.
3. A **Power of Attorney** is a legal device which gives one person the power to make decisions regarding assets, finances, bank accounts and other types of property.
4. A **Health Insurance Proxy/Durable Power of Attorney** gives a designated agent the power to make health care decisions for another. Another important health care related document is a **HIPAA Release** which allows health care providers to communicate information otherwise protected under Health Insurance Portability and Accountability Act.
5. **Legal Titling** of an asset or piece of property is a legal designation of ownership and is a key way to control how, or whether, it is considered a part of one's estate for estate computing purposes.

Eventually, your estate will be *transferred* to another person or entity. Plans have been made to pass on your estate whether you have made them or not. If you pass away without a Will, the state has created laws of intestacy which will take over and determine how your estate will be distributed. Preparing and drafting a Will allows you to gain control over the probate process and be sure that your wishes concerning your estate are brought to fruition.

1. In addition to providing control over one's estate and property, a **Will** is also a vehicle to transfer one's estate in a specific manner to specific entities upon one's death.

Consistent and ongoing *management*, which is the **organization, supervision and administration of your estate**, is the next step in effectively implementing an estate plan that is viable and likely to allow you to reach your proposed goals. Suitable management will require that you obtain the counsel of knowledgeable professionals in the appropriate fields.

- **Attorney**- An Attorney is responsible for drafting the CLMP in accordance with the appropriate estate laws.
- **Financial Planner**- The Financial Planner coordinates the members of the financial team, soliciting their advice throughout the planning process.
- **Investment Advisor**- The Investment Advisor oversees current investments, making sure that they are managed properly.
- **Personal Banker**- The Personal Banker identifies, opens and oversees the appropriate banking accounts.
- **Insurance Agent (P&C, ALH)**- The Insurance Agent makes recommendations on protections options and providing liquidity to the estate.
- **Trust Officer**- The Trust Officer conserves and manages the assets of the estate that are covered by an identified trust.
- **CPA**- The Certified Public Accountant applies current tax laws and evaluation methods to maximize the financial effectiveness of the CLMP.
- **Real Estate Agent**- The Real Estate Agent identifies appropriate real estate investment opportunities.

GOAL SETTING:

Creating a Vision

Answer the following questions as fully, honestly and truthfully as possible.

What are the ten most important things in your life and why?

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

What do you want to accomplish in your lifetime? (What would you like to have happen in your life in the next year, 2 years, 5 years, 10 years, 20 years?)

Year one:

2 Years:

5 Years:

10 Years:

20 Years:

Who do you admire and why? Would your life be more fulfilling if your life was like this person's life?

1.

2.

3.

4.

5.

Who else is doing the things that you would like to do? Can you find out how did they do it?

1.

2.

3.

4.

5.

Where can you find more information about the things that are important to you? How do you better understand the things that are important to you? (List the places, people or tools that you can utilize in order to better enhance your awareness, knowledge and understanding.)

What are your strengths? (The skills and habits that help you accomplish stated goals) What are your weaknesses? (The skills and habits that hinder you from accomplishing stated goals) How can you enhance your strengths? How can you minimize your weaknesses?

Strengths:

Enhance strengths by:

Weaknesses:

Minimize weaknesses by:

What are you currently doing in order to realize the goals that were previously listed? Are those the proper action steps to take in order to realize your goals? Are your actions helping or hurting you?

What takes up the majority of the time in your day? What should you be doing with the majority of the day?

Are you taking advantage of all of the fun, enlightening and positive things, places and people that you have access to for free? What are these things, where are these places and who are these people?

Who are the 5 people that you associate with most? Do they have the same goals as you? Are these people helping or hurting your personal, mental and physical progress? Who are the types of people that you would like to associate with? Why would you like to associate with these people?

Associates:

Prospective Associates:

What are the places that you frequent on a regular basis? Are these places enhancing you personally, mentally and physically?

1.

2.

3.

4.

5.

What fears do you have that hold you back from achieving the goals or living the life that you would like to? How do you overcome those fears? What else may be holding you back? How do you overcome that?

Fears:

How to overcome fears:

Other obstacles:

How to overcome other obstacles:

What are the things that you have to stop doing or gain control over?

1.

2.

3.

4.

5.

Who are the people that can help you answer these questions? Who are the people that would truly like to see you succeed? Who has an interest in your personal, mental and physical success?

- 1.
- 2.
- 3.
- 4.
- 5.

Create a list of some of the things that you should be doing **every day**, at least **once a week**, at least **once a month**, once **every three months**, once **every six months**, and **once a year**?

Every day:

Once a week:

Once a month:

Every three months:

Every six months:

Once a year:

Create a **weekly activity** schedule outlining every hour of each day and what you will be doing with that time. What are the types of things that are going to be on your schedule?

Create a **mantra**- a definitive statement of who you are, who you want to be and how you will challenge yourself to achieve your dreams.

CHALLENGE YOURSELF TO ACHIEVE YOUR GOALS

I challenge myself to set goals that will help to enhance myself personally, intellectually and professionally, as well as follow the steps required to achieve those goals. I acknowledge that I am solely responsible for the achievement of my success and that only I am to blame for my failures. With that in mind, I vow to take daily action towards accomplishing the aforementioned steps and the ultimate goals listed above. I congratulate myself on making the decision to take charge of my future and begin my journey today.

Signature

Witness

Date



PERSONAL FINANCE PLANNING

Financing is a fact of life. It takes some form of currency to facilitate most of the required activities for daily living. Therefore, it is a requirement to plan for the financing of your personal life. **Credit** is a widely utilized form of currency that, if managed properly, can be used to acquire assets, goods and services. Creating, cultivating and maintaining good credit is key to creating a financial platform from which to begin building financial security.

Credit Creation/Repair

- Obtain a copy of your credit report.
- Contest and make corrections to your report.
- Obtain and/or wisely manage a credit card(s).
- Obtain and/or wisely manage a line(s) of credit.

Money (paper, coin and electronic) is another widely utilized form of currency. It is so widely utilized that it can be considered the most vital form of currency. You must prepare to acquire money by developing multiple streams of income. These **streams of income** are heavily dependent on your skill and ability to provide a useful, beneficial and/or desired product or service. If you have something to offer to the world and an accessible way of offering it, the more likely you are to be able to create income streams.

Income Stream Development

- Update your resume.
- Obtain a primary job.
- Obtain a 2nd/part time job.
- Create passive streams of income.
- Search out discount opportunities.
- Start a service business.

Financial Infrastructure Construction

Once you have developed consistent, dependable streams of income, it is essential to have a **Financial Infrastructure** in place to properly manage the flow of funds. This can be done by opening the proper accounts, linking them in an appropriate manner and creating a system of oversight to effectively manage the accounts. At a minimum, the comprehensive infrastructure will include 6-7 specific types of financial accounts.

Financial Accounts

- Open a Deposit Account
 - The **Deposit Account** is the account used to pool together your income streams. It can be considered a central processing center from which other accounts will be funded.

- Open a Payment Account
 - The purpose of a **Payment Account** is to facilitate the payment of regular debts, bills and obligations. Creating **Personal Income and Financial Statements** that list all of your income streams, assets and liabilities is crucial to the proper maintenance and support of this account. It is also a way to prioritize payments by importance, amount and due dates. Setting up regular automated payments for each debt, bill or obligation to be paid on or before the due dates, provides for efficient payment solutions.

- Obtain 2 Short Term Savings Account (1-6 months/6 months)
 - **Short Term Savings Accounts** provide immediate liquidity for urgent, temporary needs. The initial account is simply a “piggy bank” or container kept in your home where you will collect coins and small bills for emergency or reward situations. The second Short Term Savings Account is a 6 month emergency fund amounting to 6 months of bills and liabilities, and is usually a banking account.

- Medium Term Investment Account (10 – 20 years)
 - **The Medium Term Investment Account** is for longer term investment goals. These are funds that may be used to help finance a home, college education or a personal goal in the future. This can effectively be accomplished by funding the cash value account in a whole life policy.

- Long Term Retirement Account (20+ years)
 - **The Long Term Retirement Account** is your plan for your twilight years, or your time where you will not be generating income the same way you were in your working years. These accounts are usually qualified plans, created specifically to promote long term holding periods in specific types of investment vehicles.

PERSONAL ASSET AND PROPERTY PROTECTION PLANNING

Personal Asset and Property Protection is essential to maintaining a prosperous, thriving estate. Your estate is at risk of diminution and complete destruction from its inception. Opening the appropriate insurance policies is an indispensable option to protecting all aspects of your estate, which include but are not limited to your assets, property, person and ability.

- Auto insurance
- Home/Renter's insurance
- Life insurance
- Liability insurance
- Disability insurance
- Medical insurance
- Government Plans
- Specific asset insurance

INDIVIDUAL AND ESTATE CONTROL PLANNING

Creating, growing and protecting your estate is of no consequence if you are not able to control what happens with it. Implementing an Individual and Estate Control Plan is critical to the regular management and alteration of your estate. Drafting the fundamental documents necessary to carry out these functions is central to the proper control of your estate.

- Will
- Trust
- Living Will
- Power of Attorney
- Health Insurance Proxy/Durable Power of Attorney
- HIPAA Release
- Legal Titling

Asset and Property Maximization Planning

Taxes are probably the greatest and most certain risk to your estate. Tax laws are numerous, voluminous and constantly changing. A CPA is a tax professional who should be consulted to help construct your overall estate plan by implementing ideas to minimize this particular hazard.

- Obtain a Certified Public Accountant.

- Implement Tax Shelters.

Personal/Familial Legacy Planning

Your legacy is much more than what you have. A great deal of it is who you are and what you do. How people remember you is a direct function of what it was that you did with your life and how you interacted with others. **Personal/Familial Legacy Planning** is designed to allow you to construct the type of imprint that you want to leave on the world by developing the right habits and focusing your talents in a positive direction.

Create an annual tradition.

Create a philanthropy plan.

SUMMARY

Achieving financial security is not just about money. Principally, it is about habits. Developing the appropriate habits to become financial secure may seem to be a daunting and overwhelming task, especially if you have to stop old, bad habits and practice new, good ones. Creating your own financial plan may appear to be well beyond your capabilities because you may not have been taught how finances work, or you may not have learned it well enough on your own. The Comprehensive Legacy Management and Planning System was created to help shorten your learning curve and begin putting the appropriate habits into place by forcing you to narrow your goals and put the system in place to achieve them.

Reaching your goals begins with a decision to envision the life that you would like to live and start taking the proper steps to make it happen. Even small steps, taken at your own pace can add up to miles over time. Whatever phase of the estate planning cycle you find yourself in, it is most important to begin moving forward in some form or fashion. Putting your plan on paper forces you to take clear stock of your current situation, understand what you have to do to reach your goals and then take action. You can become who you want to be, and more importantly, you can serve as a visual example to others that they too can do the same. The steps you take may cause another person to take their step, and so on.

You are the person that you have been waiting on to help you. Everything that you need to create the life that you

want is within you. By taking action, you are sending positive out into the world. If we all take action together, we can make the world a better place- the type of place that we all want to live in. Take the first step. Then take another, and another. Soon, you will reach your destination. Your time is now. Create the life that you want to live. Congratulations on making a decision to live the life that you want to live.

