



WHO WE ARE

2011-2017



Reflections on the Values of NAEPF

National Association of Estate Planners & Councils

Author: National Association of Estate Planners & Councils

Preamble

The National Association of Estate Planners & Councils (NAEPC) is dedicated to setting and promoting standards of excellence for professionals in estate planning.

Membership in the Association comes from one of three sources. The first source of member is one who joins the NAEPC through membership in an affiliated local council. The second source of member is an at-large member who joins the NAEPC as an individual due to the local council being unaffiliated. The third source of member is an at-large member, one who is unaffiliated with a local council, whether or not the local group is not an affiliated member of the NAEPC.

To those who meet its stringent admission standards, which include, among other things, significant prior experience in estate planning activities and material formal education in the subject matter, the NAEPC confers the Accredited Estate Planner® (AEP®) designation.

The NAEPC recognizes the importance of promulgating a code of behavior for members that emphasizes a team approach to estate planning, and relies upon the competency, knowledge, professionalism, integrity, objectivity, and responsibility of each person qualifying as a candidate for certification.

In fulfillment of this mission, the Association's Board of Directors has adopted this Code of Professional Responsibility, which embodies the professional behavior expected of all NAEPC members, and which is consistent with the Codes of Ethics of the other gateway professional designations under which a member must conduct himself/herself.

That is, the NAEPC recognizes that those who attain the AEP® designation already possess other professional designations, such as Attorney at Law, Certified Public Accountant, Chartered Life Underwriter, Chartered Financial Consultant, Certified Financial Planner, and Certified Trust and Financial Advisor. Each of those gateway designations imposes a Code of Ethics on its members. The NAEPC intends that its Code of Ethics be consistent with those Codes already imposed on its members when the AEP® title is conferred.

Professional Responsibilities

A member of the NAEPC is required to conduct himself/herself at all times in the following manner:

- To uphold the integrity and honor of the profession and to encourage respect for it. This involves promoting the continual development of the estate planning industry, as well as the member's respective specialization.
- To be fair. This requires that a professional treat others as he/she would wish to be treated if in the other's position. It also means that a member shall disclose conflicts of interest in providing estate planning services.
- A member shall continually improve his/her knowledge, skill, and competence throughout his/her working life.
- To do the utmost to attain a distinguished record of professional service based upon diligence. This means that a professional must act with patience, timeliness, and consistency, and do so in a prompt and thorough manner in the service of others.
- To support the established institutions and organizations concerned with the integrity of his/her profession.
- To respect the confidentiality of any information entrusted to, or obtained in the course of, the member's business or professional activities.

- To regulate himself or herself. That is, every member has a two-fold duty to abide by his/her other applicable professional codes of ethics, and to also facilitate the enforcement of this Code of Professional Responsibility. This also means expeditiously reporting breaches of professional responsibility, including one's own, to the NAEPC. The NAEPC assumes responsibility for diligently investigating each reported breach. Confirmed breaches will result in discipline by the association, and can include dismissal for the most egregious offenses.
- To comply with all laws and regulations, in particular as they relate to professional and business activities.
- To cooperate with association members, and other estate planning professionals, to enhance and maintain the estate planning profession's public image, and to work together to improve the quality of services rendered.

MAY 2011

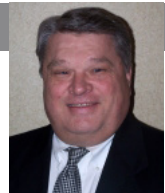
The "Team Approach"



Author: Gregory E. Sellers, CPA, AEP®

The "Team Approach" to estate planning – sometimes these words seem trite, but they are so true. **When determining how to best serve my estate planning clients, I realize that the client is best served by a team of estate planning professionals.** I, the CPA, have probably the regular contact with the client since I plan and assist the client with their income tax filings. I act as the quarterback for the team. Much like reading defenses and calling play schemes, I gather information from the clients to make calculations and find out their wishes and desires. From there, I call in the other skill players, attorney for will and trust drafting, life insurance and financial planning professionals to provide liquidity and achieve returns on the existing assets, and trust officers for administration and asset protection. All of these individuals enhance the other, making sure that the client receives the best service in their best interest. In these days of unethical behavior by many different professional "advisors", it is good to know that the team that I work with and to whom I refer clients embraces the team concept and the Accredited Estate Planner® code of ethics in addition to their own professional discipline.

JULY 2011



Author: Walter Lee Davis, Jr., Atty, CPA, AEP®, EPLS

Since becoming an AEP®, **I have consciously strived to engage the whole team of estate planners,** preferably AEP® designees, from the various disciplines when working on an estate plan for a client. I send every client a Client Info Packet that gives them data sheets to complete so I have the facts. You can't plan without the facts! The packet also includes client educational materials about both TN and US gift taxes, TN Inheritance tax, US Estate tax, US GST tax and how these taxes work, including hypothetical examples, so the client can better understand these complex topics about which they generally have only scant information. It has info, including examples, about Crummey powers, GRATs, CRUTs, CLATs and all sorts of things I think a client needs to know.

I include a full page devoted to the NAEPC Team Concept of Estate Planning with space for the client to name his team members and provide their contact data. NAEPC members are authorized to use it as they choose, making whatever revisions they deem helpful for their particular practice.

Author: National Association of Estate Planners & Councils

Estate planning encompasses the accumulation, conservation, preservation, and transfer of an estate through planning and implementation of an estate plan. The overall purpose of the estate planning process is to develop a plan that will maintain the financial security of individuals and their families.



OCTOBER 2011

Author: Clark B. McCleary, CLU®, ChFC®, MSFS, AEP® (Distinguished)

My participation in two NAEPC-member local councils for the past many years has had a positive impact on my practice

because of the diversity we enjoy when meeting with professionals from other disciplines. The conferment of my Accredited Estate Planner® (Distinguished) designation was equally important because it demonstrates to my clientele and their other advisors that I am comfortable in sitting at the table with them as we all work for the benefit of our common client.

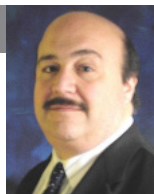
DECEMBER 2011

Author: M. Eileen Dougherty, CTFA, CFP®, AEP®, ChFC®

The trust officer's job on the estate planning team continues the focus the other members share as they work with the multifaceted lives of their clients and beneficiaries. **The ultimate purpose of a good estate plan is one that meets the client's goals.** For some the primary focus may be tax savings or the protection of challenged family members while others strive to sustain a legacy that will reach many generations. A holistic approach to the plan will incorporate all the aspects of the client's life that they want to have documented and managed from a financial perspective and still honor their personal need to be treated with dignity and respect at times when they are not able to communicate their wishes on a consistent basis.

As client's lives evolve through the years their needs change as do the needs of their loved ones and their personal plan needs to be flexible enough to evolve and yet be adaptable to changes within the law. For trust officers, members of the team will be both inside and outside their firms and an open dialogue that maintains the client's best interest as the primary focus will insure a more beneficial result. People today are bombarded with information everywhere they go about financial and estate planning in a way that would lead you to believe that most plans are a one-size-fits-all matter. The reality is that some needs can be met with a standard array of documents and services, but the art is in the details of a custom fit.

Author: Paul J. Pantano, CLU®, ChFC®, CASL®, AEP®, MSFS



I am an Accredited Estate Planner®. This is not just a title, but a validation that I have completed graduate level courses in the area of estate planning, as well as having many years of time to polish my proficiency with the public. I belong to both the local and national levels of estate planning councils, which are membered by attorneys, CPAs, trust officers, and financial professionals like myself. Our commitment is to work in conjunction with each others' individualized expertise for the best interest of the client. When I present myself to the other disciplines as an AEP®, it is recognized that my background commands respect for the contributions that are made. Often, there is a collaboration of academics and experience that places the client in a better position than if they dealt with one discipline solely.

Author: Gary L. Flotron, MBA, CLU®, ChFC®, AEP®



It is hard to believe that I have now held the Accredited Estate Planner® (AEP®) designation for 16 years. Yet the meaning and the reasons for wanting to acquire the designation have not changed over this timeframe but have only been reinforced with the passage of time. There are six professional designations that have long been associated with the field of estate planning. However, with the possible exception of the CTFA designation, these professional designations do not connote a practice or expertise exclusively devoted to estate planning.

For example, an attorney could be practicing in the field of criminal law, and a CPA could be specializing in the auditing of financial statements for public corporations or income tax planning. A person with my particular designations, the CLU® and ChFC®, could be specializing in the group insurance field or in general financial counseling and planning. So I wanted a designation that was the highest accreditation that recognized my expertise in the field of estate planning. The fact that this designation was awarded by the National Association of Estate Planners & Councils (NAEPC), a multi discipline organization dedicated to the team concept of estate planning, only enhanced the prestige of having this designation.

When I received the designation in 1995 I had no idea that I would wind up a board member of NAEPC, chair of the AEP® Designation Committee with the job of revamping the program and tightening the standards, and, eventually, president of NAEPC. However, what I learned doing that tenure is that the purpose for establishing the AEP® designation in 1990 were the exact same reasons for which I wanted to acquire the designation in the first place. An additional feature of this designation is the fact that it is really a graduate level specialization designation in estate planning. It is over and above the education and experience required for the six professional credentials necessary for qualifying to obtain the AEP® designation.

Last, but certainly not least, is that the AEP® designation stands for excellence, competence, ethics and professionalism. These virtues are vital and paramount in advising and working with clients on their estate plans. In short, the AEP® designation is the paradigm of what an accreditation should represent in the field of estate planning.



Author: Hartman Axley, CLU®, ChFC®, JD, CFP®, MSFS, RHU, AEP®

A violent debate, if not an open conflict, exists in the insurance world today over the meaning and application of the term “insurable interest” which is the foundation of all insurance. Overlooked by most, is the US Supreme Court case of *Grigsby v. Russell*, 222 U.S. 149 (1911) in whose opinion, none other than Chief Justice Oliver Wendell Holmes, stated: “The very meaning of an insurable interest is an interest in having the life continue and so one that is opposed to crime.” He went on to say, “A contract of insurance upon a life in which the insured has no interest is a pure wager that gives the insured a sinister counter interest in having the life come to an end.”

Chief Justice Holmes also states that as to “a person having no interest in the life insured... public policy refuses to allow insurance to be taken out by such persons in the first place.” He further ruled, “...the chance that in some cases it may prove a sufficient motive for crime is greatly enhanced if the whole world of the unscrupulous are free to bet on what life they choose.” Thus, I submit that this is the “common law” (case law) of the land (USA) concerning Stranger Originated Life Insurance (STOLI) which should be called (SILI) Stranger Initiated Life Insurance to avoid confusion with (SOLI) which is Stranger Owned Life Insurance.

Mr. Justice Holmes also spoke to Stranger Owned Life Insurance (SOLI) as follows: “Obviously it is a very different thing...to allow the holder of a valid insurance upon his own life to transfer it to one whom he, a party most concerned, is not afraid to trust.” Thus, Stranger Owned Life Insurance (SOLI) is not against public policy or unlawful per se if the ownership changes by valid assignment.

One other statement of interest from this decision: “On the other hand, life insurance has become in our days one of the best recognized forms of investment and self-compelled savings. So far as reasonable safety permits, it is desirable to give to life policies the ordinary characteristics of property...To deny the right to sell except to persons having such an interest is to diminish appreciably the value of the contract in the owner’s hands... And cases in which a person having an interest lends himself to one without any, as a cloak to what is, in its inception, a wager, have no similarity to those where an honest contract is sold in good faith.”

This case and these statements appear to me to have great relevance in today’s insurance and estate planning professions.

In 2004, the NAEPC Board of Directors created an award to honor those who have been highly active in the estate planning community and critical to the development of the association. The Hartman Axley Lifetime Service Award is named after the “heart” of NAEPC, and is presented each year at the Annual NAEPC Advanced Estate Planning Strategies Conference.



Author: Richard M. Weber, MBA, CLU®, AEP® (Distinguished)

My “team” is a little different than most. In my consulting practice I promote myself as an Insurance Fiduciary. There, my team is the client, the insurance company, the insurance agent, and the ILIT trustee (as applicable).

Our purpose is to collaborate on an annual or bi-annual schedule to make sure that life insurance policies are meeting the objectives specified in a customized Life Insurance Property Management Statement (similar to an Investment Management Statement for investment management). Our firm utilizes life insurance management data not readily available from other sources and renders customized, actuarially certified management reports.

In the broader context of the planning world, my team consists of the leaders of the Society of FSP, NAEPC, MDRT, NAILBA, NAIFA, NAHU, and AALU (among other organizations) as we deal with the ways in which major issues can affect us. A current example is the push toward the “F”-word - that is - Fiduciary. At the Society of FSP, our members take seriously their commitment to “place our client’s interests above our own.” While this is a major component of fiduciary duties, this operating principle is a more practical guide than the word “fiduciary duty” to help our members and their staffs consistently serve their clients in a professional manner. Other organizations in the planning “space” are also looking at the unintended consequences of applying legal standards that convey more obligation than is necessary - or desired - by the client.

Author: Justice Cardozo of the Supreme Court of the United States

The late Justice Cardozo of the Supreme Court of the United States, then speaking as Judge Cardozo of the New York Court of Appeals, made the following, now classic, statement: “Many forms of conduct permissible in a workaday world for those acting at arms length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the market-place. **Not honesty alone but the punctilio of an honor the most sensitive is then the standard of behavior.** As to this there has developed a tradition that is unbending and inveterate. Uncompromising rigidity has been the attitude of courts of equality when petitioned to undermine the rule of undivided loyalty by the “disintegrating erosion” of particular exceptions. Only thus has the level of conduct for fiduciaries been kept at a level higher than that trodden by the crowd. It will not consciously be lowered by any judgment of this court.”

NAEPC currently has over 275 member councils and welcomes their estimated 30,000 members to take advantage of the benefits of affiliation.

Author: Michael W. Halloran, CFP®, CLU®, ChFC®, RICP, AEP® (Distinguished)



The value of the National Association of Estate Planners & Councils has been the **association with the top practitioners in the field of estate planning throughout the country**. Many of the top planners attend our annual conference. Being able to hear from them and ask them questions on a one-to-one basis has been very valuable for my practice. These individuals have also been helpful in taking phone calls and emails to help me with my client cases.

Having the AEP® and NAEPC allows us to do a much better job for our clients than just basing everything on our own personal knowledge. The clients appreciate the designation in that we are specializing in estate planning and not giving just have a verbal confirmation that we work in that area.

Author: Robert E. Fox, CLU®, AEP®



When I signed my contract with Connecticut Mutual, I was told that I was to immediately start the CLU® program. When I received the postcard from The American College with the ten checkmarks indicating “passed,” a mentor of mine, an AEP®, had me apply for the AEP® designation the same day. I have never regretted becoming an AEP®. **It means joining with other professionals in service to others and association with those who take seriously the idea that estate planning means** — that when you leave your client (I said client and not customer), that they are better off than when you got there. It’s as simple as that and far exceeds tax avoidance.

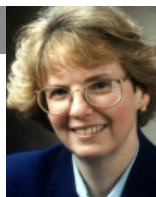
Author: William D. Kirchick, Esq., AEP®



As an estate planning attorney, among the most important goals in working with my clients is to make their estate plan tax-efficient and give them some peace of mind that the security of their family will be well provided for. However, these goals cannot be achieved in a vacuum but must rely on the team approach of working with accountants, trust officers, insurance agents and financial advisors, all of whom pursue the same goals as I do. **NAEPC and the affiliated local councils all share the unique interdisciplinary approach of working together to help our clients attain a high degree of financial literacy and an estate plan that will provide a high level of satisfaction.** Having held the Accredited Estate Planner® designation for over 17 years now assures the other members of the team whom I work with that I possess the skills and experience necessary to carry out what my clients seek to obtain for their family’s financial well-being and that of successive generations. Being recognized with the AEP® designation, which is only conferred by NAEPC, is not only a means of fulfilling one’s personal aspirations, but also gives the client a degree of comfort in knowing they will be working with a highly qualified professional to accomplish their goals.

AUGUST 2013

Author: Terri L. Tassell-Getman, JD, CLU®, ChFC®, AEP® (Distinguished)



From the start of my advisory support to insurance/financial representatives, I've stressed that the **estate planning process must be a collaborative effort involving the client's team of advisors**. My experience is that the insurance/financial representative is often the one that is motivating the client to initiate the planning process. From there, the CPA and the attorney are brought in for the development of the plan. Typically, the attorney and the CPA take the lead in identifying possible strategies and running the numbers. The insurance/financial representative often provides input into the plan design as it relates to financial products. Other professionals may be included in the team depending on the client's situation. For example, it's not unusual to have trust officers and valuation experts as members of the estate team. Working together, each with an area of expertise, the team is able to develop a cohesive plan that will enhance and protect the client's financial security during life, and will transfer during life or at death the legacy the client wishes to leave to other individuals or organizations. My experience is that when the design of the estate plan is developed as a team the client is more likely to move to the implementation step of the estate planning process, and this step is more likely to proceed with each member acting in unison.

OCTOBER 2013

Author: April Caudill, JD, CLU®, ChFC®, AEP®



I find it difficult to imagine trying to engage in estate planning without a team approach. **The very best advisors know that no one person can know everything**, and it is only with the services of the entire team, particularly legal, tax and insurance experts, that all the client's needs and potential issues can be properly addressed. Whether it is making sure the client's will, business succession plans and beneficiary designations line up with each other, or helping the client plan his or her legacy, every step of the estate planning process requires communication, coordination and teamwork by the professional advisors working together. I see this in action frequently when answering questions for our Financial Representatives at Northwestern Mutual and helping them coordinate and communicate potential planning strategies with their clients' advisors. In a best case scenario, the team members are members of a local association in which they can network, get to know who they are working with, and build trust.

DECEMBER 2013

Author: Paul S. Viren, CLU®, ChFC®, AEP®



For over 25 years I have been involved with my local Spokane Estate Planning Council. Over these years I have developed wonderful friendships and working relationships with many fellow advisors, who **together we have assisted many families in accomplishing their goals and dreams**. The feeling of stewardship to our council membership and the clients we serve, for me, is at the core of my work and reason for my being in this industry.

Author: Albert E. Gibbons, CLU®, ChFC®, AEP® (Distinguished)



We are multi-disciplinary, trusted advisors who share a non-negotiable, committed focus of putting our clients' best interests first. That most important shared value is acted out in all

of our collaborative estate planning efforts. Let's define our terms (credit and thanks to Mickey Connolly and Richard Rianoshek, authors of "High Performance Collaboration"). "Team Work - Working together to produce extraordinary results. Coordinated Action. Move faster without losing intelligence. Move quickly, but completely and confidently." "High Performance Collaboration - People working together to accelerate the creation of value - faster than normal." The NAEPC promotes the multi-disciplinary approach to estate planning. At our core we believe collaborative teams are essential if we are going to provide outstanding estate planning for our high net worth clients.

Author: Various

How others view the responsibility of what we call estate planning...

Quotes from Supreme Court Justice Louis D. Brandeis:

"Our constitution is not a strait jacket. It is a living organism.

As such, it is capable of growth."

"Law divorced from factual reality can only be sterile."

Lastly, and which emphasizes that attorneys are officers of the court,

"I am counsel to the situation."

A quote from Henry Clay:

"Government is a trust and the officers of the government are trustees and both the trust and the trustees are created for the benefit of the public."

A quote from Supreme Court Justice Oliver Wendell Holmes:

"The law is the witness and external deposit of our moral life."

Author: Ronald Duska, PhD



“Who are we as fiduciaries? A little common sense.”

With all the talk and legalese surrounding the notion of “fiduciary duty” it is helpful to remember that the issue is not as complicated as attorneys and regulators like to make it. If we look at the ordinary uses of words rather than the regulatory overkill we find that those meanings are often quite simple. Basic meanings of words are important, because language is the glue that binds us together as a group. To distort the meanings of words is to loosen those bonds. Those bonds create an “ethos” or custom which informs us about what is acceptable behavior—ethics.

If the philosopher Ludwig Wittgenstein is correct in asserting that the meaning of a word is often found by looking at what it is used for, we can get quite clear about fiduciary duty. So in the case of “fiduciary” we can get to the basic meaning by asking what is a fiduciary for. Simply it is to give advice, and the purpose of advice is for the advisor to help the advisee. The advisee puts his faith and trust in the advisee. Hence...fiduciary. An advisor who puts his own interest first, fails to be an advisor and violates his fiduciary role.

The group of professional planners have bonds and an ethos (practices) which sets forth customary acceptable ways of doing things. As a planning professional you give advice. Giving advice implies looking out for the other. Advisors cannot exist in a society where everyone is looking out exclusively for oneself. Hence the fact that we have the word advisor in our vocabulary means we have ethical rules embedded in that vocabulary. To be an advisor is to put the good of the advisee, in our case the client, first. If you do that, your client can have faith in your word. That means your client can trust you to look out for their interest. Their interest comes first. That doesn’t mean that you cannot look out for your own interest. It just means that when functioning as an advisor your interests need to be set aside if they conflict with your client’s.

It is important to note, though, that when those ethical bonds and commitments which are important break down we may need explicit rules with penalties attached to persuade us to conform to them. This is where compliance enters the scene. In a healthy society ethics comes first because it provides the rules for behavior. The law is society’s tool for making sure that the members act ethically. If they don’t, society sets up punishments to make sure they do. So ethics is the spirit of the law. **Ethics comes first.** Compliance comes second. To be compliant and violate the spirit of the law, is to be unethical. To act only to be compliant is to act to cover one’s own interests rather than to put the interests of the client first. We have too much emphasis on compliance and not enough on ethics.

Most of the talk and concern about getting “clear” about the meaning of “fiduciary” today is the result of forgetting the ethical demands of a fiduciary (other concern) in an attempt to cover one’s own interest, on the part of planners or companies. The endless discussion of the difference between suitability and fiduciary responsibility indicates that the concern is not in keeping faith with the client so much as it is to protect one’s own interest. Trust and faith are the heart of the fiduciary relationship. Covering one’s own interest first is not. There is nothing as disturbing as someone who games this system. To do something that benefits oneself, by doing what is legal but not in the interest of the client who put his faith in you, is to be compliant but not ethical.

Author: Lawrence M. Lehmann, JD, CAP®, AEP®



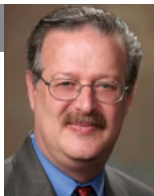
We, as estate planning professionals, all share a common goal to help our clients make wise choices about holding, growing and transferring their wealth. It is important to remember that our clients need to achieve clarity of purpose in order to make meaningful choices. What is a client's true motivation to engage in estate planning? Is it only estate and income tax avoidance or is it something much more important?

The most helpful thing we as estate planning professionals can do for our clients is to begin our conversations with one simple question: Why? Why do you really want to plan your estate? You might be surprised at the answers you receive. Some individuals may have concerns about their own financial independence. Some may have concerns about the needs of family members. Some have passionate philanthropic goals. Some may focus on the meaning and value of their own lives. Starting the estate planning conversations with "Why" before explaining "How" can assure us that our recommendations are consistent with our client's own mission, vision, values and goals.

Unfortunately, planning often begins with conflicting recommendations by professionals from different disciplines. The usual result is nothing gets implemented because the client does not understand why each professional is making different recommendations.

NAEPC promotes the collaborative approach to estate planning by members of all estate planning professions in order that the client achieve the best possible estate planning result through actually implementing a well thought out estate plan. **What a better way to collaborate than by starting the process with a clear understanding of the client's mission, vision, values, and goals.** With the entire team understanding the client's "why", the team will have the information to make a unified recommendation of "how."

Author: Jordon N. Rosen, CPA, MST, AEP®



Until recently, I thought that my CPA designation said it all. I was a Certified Public Accountant and everyone knew what I did, so why muddy the waters with another set of initials after my name. Two things changed my thinking about the Accredited Estate Planner® designation. First, I noticed that other members of my local council who had gotten the designation were working more with one another and gaining prominence within the council and local estate planning community at large. I immediately wanted to become a part of that circle to have access to the same resources and contacts, which not only would enhance my estate planning practice, but also allow me to partner with other highly regarded professionals to get the best results for my clients.

The second thing that changed me was when I started getting involved with NAEPC. By happenstance I became a member of the Council Relations Committee when one of our local council members decided to step down. I quickly found that this committee (as is the same for all of the NAEPC committees) consisted of highly motivated individuals who wanted to make a difference for the better for estate planners everywhere. I quickly got involved and became a "liaison" between NAEPC and several local chapters. Through this effort, I was able to bring ideas from other chapters across the country to these local chapters. Today, I remain active on several committees and have become a member of the executive committee, which gives me the best opportunity to serve others in the estate planning profession. **As for having those three letters after my name, I couldn't be prouder.**

Author: Sidney Kess, CPA, JD, LL.M., AEP® (Distinguished)

One of the valuable parts of being associated with NAEPC is the **unique opportunity to meet with some of the leading professionals in the estate planning area** who bring a unique perspective to the field of estate planning. Not only are you joining together with attorneys and CPAs, but you are meeting the leading trust officers, financial planners, investment advisors, etc. In addition to their technical competence, they are some of the finest people I have had the opportunity to meet in my career. Every program that you attend is an exceptional experience. I treasure the time that I devote to NAEPC functions.

**Author: Robert E. Fox, CLU, AEP®**

I have been obsessed with the similarity, in essence, between what Justice Samuel Putnam (Supreme Court of Massachusetts, Harvard College V. Amory, 1830) said when he, in effect, created the Prudent Man Rule. He said "Do what you will, the capital is at hazard." The Prudent Man Rule: All that can be required of a trustee is to invest, is, that he shall conduct himself faithfully and exercise a sound discretion. He is to observe how men of prudence, discretion, and intelligence manage their own affairs not in regard to speculation, but in the permanent disposition of their funds, considering the probably income, as well as the probably safety of the capital to be invested.



Now look at Justice Cardozo, then speaking for the New York Court of Appeals: "A trustee is held to something stricter than the morals of the marketplace. Not honesty alone, but the punctilio of an honor is then the standard of behavior. Only thus has the level of conduct for fiduciaries been kept higher than that trodden by the crowd, it will not consciously be lowered by any judgment of this court." Those of us who went through the CLU® 10-part testing may well remember this.

Now, we see the similarity of Justice Putnam's decision and Justice Cardozo's? The morality required of us as fiduciaries, agents, sales people, CPAs, trust officers, and attorneys binds us all and is the essence of the AEP® designation and membership in NAEPC.

I'm proud that after my name is "CLU®, AEP®."

*"I'm proud that after
my name is
CLU® and AEP®."*

**Author: Al W. King, III, JD, LL.M., AEP® (Distinguished), TEP**

Most of the successful companies and sports teams attribute their success to the team concept. The best teams all understand each other's role and most importantly the ultimate goal or goals. As the Hall of Fame professional football coach Vince Lombardi once said "The achievements of an organization are the results of the combined efforts of each individual". This epitomizes the NAEPC concept of a multi-disciplinary team to estate planning. Having worked at a fee-based financial planning firm, national securities firm, national insurance company, regional bank, "Big Four" CPA firm, international money center bank, law firm, and now a founder of a trust company without products, I came to realize firsthand over the years the importance of multi-disciplinary teamwork regarding a client's estate planning. I also came to realize that this teamwork takes many forms. Despite the form or approach, the first step is to ensure that the client is aware of the various estate planning issues, both tax and non-tax, so that they and their family can properly address them. More than 80% of the people in this country do not even have wills. Many more lack financial and healthcare powers of attorney. Others have wills but have not coordinated them with their jointly held and beneficiary designated assets. These are very basic, but important, estate planning necessities that may need to be supplemented by more sophisticated estate planning strategies in many instances. The bottom line is the client needs to recognize these important issues and discuss them with their advisors and take action.

One of NAEPC's very important missions is to provide education programs designed to educate the public so that they recognize the importance of estate planning as well as the benefits of the multi-disciplinary approach to their estate planning. NAEPC accomplishes these goals through estate planning awareness programs, webinars, a powerful website and Journal, etc.

Another very important aspect of the NAEPC mission is to educate advisors as to the importance of the multi-disciplinary team concept and the many ways to maximize this approach. Additionally, NAEPC strives to educate and update the members of the multi-disciplinary team with cutting-edge educational conferences/seminars, forums/meetings, journals and websites, all conducted and authorized by industry experts from across the country. The advisors that excel in the multi-disciplinary team concept are awarded with the AEP® and EPLS designations by NAEPC.

I would like to conclude as I conclude many of my speeches: "Nobody plans to fail, but people often fail if they do not plan". It is NAEPC's goal to increase estate planning awareness and education to ensure that multi-disciplinary planning happens and they have been successfully doing so since 1962. Please see www.NAEPC.org to start or grow your awareness!

"The best teams all understand each other's role and most importantly the ultimate goal or goals."

JUNE 2015

Author: E. Randolph Whitelaw, AEP® (Distinguished)

We are a 'fiduciary advisor' to our clients fully aware that, to demonstrate best practices, **we must always understand our client's objectives**, reliance upon other 'team' professionals and... our limitations. Further, we must quarterback an active plan management process recognizing that service commitment best aligns our interest with those of the client.



AUGUST 2015

Author: Robert E. Fox, CLU®, AEP®

I believe...

That NAEPC is the primary estate planning organization and that its future depends on the dedication in service to my clients through a professional approach to my career,

In a spiritual approach to my affiliation with NAEPC and the Accredited Estate Planner® designation,

In the continuing perfection of my techniques and knowledge,

In working together with my peers of other disciplines, and

Above all, in **dedication to the continual welfare of my clients and not alone in my monetary gain.**



OCTOBER 2015

Author: Kristen E. Simmons, JD, EPLS, AEP®

As estate planners, we help our clients plan their estates in the most transfer tax efficient and protective manner. However, **we are also the trusted advisors that clients call upon in the hardest times**, whether those times involve an illness in the family or discord among family members. When dealing with a family going through a difficult time, the advisor must remember which family member is the client and do his or her best to act in the client's best interests. In order to effectively represent the client's best interests, the estate planner must work with the client's other advisors as a team. Whether the most trusted advisor to the client is the CPA, financial advisor, attorney or trust officer, all should be on the same page and involved in the client's estate plan. When an advisor is left out of the integrated estate plan, the client and the client's family may suffer.



Along those lines, staying actively involved in your local estate planning council is vital. As the current president of the Southern Nevada Estate Planning Council and a member for the past 10 years, I have experienced firsthand the sense of comradery that participation in a local counsel provides. Further, learning different philosophies and aspects of estate planning, whether at local meetings or through resources at NAEPC, helps not only us as advisors, but also our clients. Active participation in your local counsel and in NAEPC can help ensure that you remain the trusted advisor to your client and your client's family.

Author: Natalie B. Choate, Esq., AEP® (Distinguished)



Not all is rosy when the multiple estate planning disciplines interact. In my role as a writer and speaker on estate planning for IRAs, I hear the complaints and sometimes have to act as referee. We should all work together, yes....but DO we?

Here are some stories I hear again and again. I hope you will not recognize yourself!

Often the financial planner or CPA/PFS knows a great deal more about the minimum distribution rules for IRAs than the estate planning attorney knows. But the lawyer will not deign to listen to anyone else because he/she is a LAWYER and knows everything. A warning to my fellow estate planning attorneys: This attitude could get you in big trouble! Indulge in a little free education from the financial planner once in a while.

Then I get a call from a lawyer complaining about the financial advisor who met with the widow right after the funeral and persuaded her to roll over her deceased spouse's retirement plan IMMEDIATELY into her own IRA at the advisor's firm. A rollover wasn't best for this surviving spouse, but the advisor was more worried about losing the account than about the client's financial well being. Note to financial planners: A hasty rollover when the client retires or the spouse dies may get you a quick account and a lawsuit to follow. Wait until the rollover is blessed by the tax expert!

When working with our clients' hyper-tax-sensitive and rule-laden retirement benefits, **the best long term results come from avoiding mistakes.** If we pool all our expertise and work together everybody wins except the IRS!

Author: John S. Scott, Jr., CPA, AEP®, CGMA



Estate planning, now more than ever, should occur with a team approach involving cross-professional disciplines assisting the client to meet their goals. The team needs a balance sheet, a summary of the current estate plan, and an understanding of the clients' wishes and goals. With those facts, planning points can be identified and shared with clients that align with their goals.

The estate tax for the middle rich is no longer the driving motivation for planning. Trust laws were developed in England during the Crusades as a way for the grantor to give property to the trustee to carry out the grantor's wishes during their absence. Now, current planning can get back to focusing on what does the grantor want to do with their assets in their absence or demise. So we can really use trust for the original purpose.

Any family with more than one child or grandchild knows that each of those beneficiaries or heirs is going to have different strengths and weaknesses. More and more families are meeting to educate family members about investment philosophies and the philanthropy of the family. The NAEPC is a group of estate planning professionals working as a team helping clients achieve their goals.

Author: Ben G. Baldwin, Jr., MSFS, MSM, CLU®, ChFC®, CFP®, AEP® (Distinguished)



For a non-lawyer, such as myself, **it is a particular privilege to be a part of the NAEPC and to have the support of so many professionals dedicated to the team concept**, and to their clients best interests, by helping clients determine those best interests and implementing plans to attain multi-generational financial security. Charles T. Munger, of Berkshire Hathaway fame, was quoted in the Wall Street Journal on September 12th, 2014. He summed-up why our team approach to honing “estate planning” to perfection is so important. He said:

“Knowing the edge of your circle of competency is one of the most difficult things for a human being to do. Knowing what you don’t know is much more useful in life and business than being brilliant.”

Working in teams with NAEPC professionals keeps us all working within our circle of competency, providing the wide range of competencies our clients need to accomplish their goals.

Author: Gerry W. Beyer, JD, LL.M., JSD, AEP® (Distinguished)

“Death, as the Psalmist saith, is certain to all, all shall die.”

William Shakespeare, King Henry IV (stated by Justice Robert Shallow)



Estate planning is based on the undeniable and inescapable fact that each one of us will become metabolically challenged and cease to function as a carbon-based life-form, as well as the greater than 50% chance we have of being physically or mentally disabled for at least ninety days. Should estate planning consequently be shunned just because it is a depressing area of specialization? Absolutely not! **Estate planning may be the only area of law that applies to every individual.** For example, you can avoid the criminal justice system by obeying the law, you can keep out of family courts by being happily married or staying single and childless, you can bypass the income tax system by being unemployed, and you can usually elude being sued if you do what you promise and always act prudently. But, there is nothing you can do to escape the inevitability of death and the probability of disability. As an estate planner, you have the potential of providing valuable and essential assistance to every person, regardless of the individual’s financial or family circumstances.

Estate planning also offers you the tremendous opportunity to engage in the practice of preventative law. You may avert many legal problems and the associated human and financial costs before they arise. By expertly crafting your client’s estate plan, the client’s personal and property affairs will have a smooth transition from day-to-day life, through times of disability, and finally into death. Court proceedings may be simplified and, in some cases, eliminated entirely.

The NAEPC and its accompanying programs, materials, and collegiality among its members, provides us with the tools to accomplish these laudable goals for our clients.

Author: Jason E. Havens, JD, LL.M. (estate planning), LL.M. (international tax), BCS, EPLS, AEP®, TEP



David J. Dietrich, Esq. and I recently published a two-part article on "The Collaborative Approach," which appears in the January-February 2015 issue of Probate & Property (ABA Section of RPTe Law). My portion of that article details why attorneys nationwide should actively participate in their local NAEPC-affiliated council. One benefit is interaction with local trust and estate attorneys, who might serve in the attorney rating or board certification review process. Another advantage, as highlighted by others via this column, is meeting other local estate planning professionals whom attorneys do not normally see at bar or other meetings. My own formative NAEPC/local council (and ABA) experiences have led me to join Holland & Knight's national Private Wealth Services Group. **Amazing doors can open through your involvement in NAEPC** and affiliated Synergy Summit organizations.

Author: Bernard A. Krooks, JD, CPA, LL.M., CELA, AEP® (Distinguished)



Estate planning is one of those things that nobody wants to think about until it is time to think about it, and then, it is often too late. After all, who wants to think about what will happen to us if we become ill, can no longer take care of ourselves, or pass away? It is much more pleasant to think about where you will go on your next vacation, what type of car you will drive when your current lease expires, or what color carpet you will put in your new office. However, as we all know, failure to properly plan your estate can lead to unintended consequences for you and your family and result in the loss of significant personal assets. Those of us in the estate planning profession know this all too well, having witnessed it on numerous occasions when clients procrastinated and then a life-changing event happened. Who knows if we will be on the next Amtrak train that crashes or the next airplane that a pilot decides to fly into a mountain?

As estate planning professionals, **our job is to not only encourage clients to plan ahead, but to make sure that they, in fact, do plan ahead.** If our advice falls on deaf ears, what have we accomplished? Perhaps we have a nice letter in our file protecting our interests and documenting that we tried to motivate the client to proceed with planning. Whose interest does that serve? It certainly does not help the client in any way while they lie incapacitated in the hospital after having suffered a stroke but have not yet executed a durable power of attorney or advance health care directive. We need to do better. Clients rely on our experience and wisdom in this area. We are the ones who can share the horror stories of those clients who did not adequately plan ahead and the consequences they and their families were forced to endure. We need to share these stories with clients who, for one reason or another, are not taking the necessary steps to make things easier for themselves and their loved ones. Advising clients what to do is one thing, making sure they do it is what really matters. If each of us would help just one client over the finish line to complete their estate planning, there would be thousands of families who would be spared the anguish of not having a proper estate plan in place. Isn't that why we got into the estate planning profession in the first place?

Author: S. Mark Alton, CFP®, ChFC®, CLU®, CAP®, AEP®, MSFS, CPWA®



Pablo Picasso said, “The meaning of life is to find your gift. The purpose of life is to give it away.” I believe we each have access to a fountain of abundance, but many are not aware of it, and most do not know how to tap into and harness it. At the core of our fountain, is the essence of what makes us, us. We are both extraordinarily unique, and at the same time, uniquely extraordinary. This is a quality we have been endowed with, and not something we earned, so it is a gift. From the instant we are born, we connect with the world, and the people in the world, and form a learning organization. From that moment, we begin to make progress on a daily basis toward self-actualization; becoming all we can be, and doing what we are called to do. The way we all make a difference in the world is through self-discovery, which is a lifelong journey, and through expressing our unique abilities, both personally and professionally, in a quest for self-actualization. To give well, we need to understand ourselves on a deep level, and understand the emotional impact our gift will have on the recipient of the gift.

Estate planning, at its core, is planning to “give it away.” Financial capital is just a tool to grow the real wealth in the family; the human and intellectual capital of the family. Estate planning is a highly complex, multi-disciplinary activity, and when done most successfully, employs the services of a high-performing team of designated professionals, working together in close collaboration. Actions we take today have different consequences over the short and long run, and in different parts of the system, and with respect to different disciplines. It is both complex from a technical perspective, but also from a social perspective. So, it is critical to think strategically first, before we begin to implement tactical strategies and solutions in our respective silos. It is imperative that we put each transaction into the context of a purposeful master plan.

The mission of NAEPC is to “promote the multi-disciplinary approach to estate planning”, which aligns well with my purpose to make a difference in people’s lives, in the lives of their individual family members, and the purposes and causes they care most about. I believe we can make a difference by connecting their financial wealth to what makes life worth living, and a legacy worth leaving. One has to be mindful, and purposeful, to leverage the financial capital, and perpetuate the family values down through the generations. The purpose of collaboration is to access and harness the collective wisdom of the group, which includes the wealth holder(s), the wealth holder(s) family and his or her professional advisor team.

Although we may not ever see the fruits of our labor, the world may be a better place because of the work we do at NAEPC. Our leadership, our affiliated local councils and our membership are all making a difference in the world, and helping to make it a better place for all of us.

*When we all work together to help our clients,
and their families find their gifts, and to give them away,
we are changing the world. We are making a difference,
and we are leaving our finger prints on the world.*

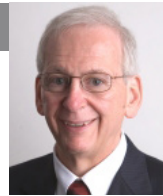
Author: Leonard H. Neiman, CLU®, ChFC®, AEP®



The NAEPC is the epitome of “We.” NAEPC has, for years, brought together the diverse groups of disciplines—lawyers, insurance, trust bankers and accountants. In the spirit of collaboration, NAEPC has promoted the art of teamwork both in spirit and practice for the ultimate results for our clients. NAEPC also serves the needs of its diverse group of over 200 councils across the country. They range in size from the mega councils to the smallest. NAEPC’s professional staff provides assistance to these councils on a daily basis. The Council Relations Committee members actively contact the local councils and offer advice in their operations. The annual meetings, known professionally for providing incredible educational opportunities, also provide a forum for councils to share in the operations. In short, NAEPC is the glue that keeps the engine running for the benefit of all of our clients. I served on the NAEPC Board for 17 years and chaired the Council Relations Committee for much of that time. It has become one of the most important committees of the Board.

NAEPC was saddened by the passing of Len Neiman in January 2017. He will certainly be missed by all of his friends at NAEPC and his legacy of service is sure to carry on through the Walter Lee Davis, Jr. and Leonard H. Neiman Council of Excellence Award.

Author: Gary L. Flotron, MBA, CLU®, ChFC®, AEP®



During the last few years, the emphasis of my practice has shifted from an adviser working in the field of business succession and estate planning, and executive and employee benefit plans to that of a consultant advising, writing and speaking in the area of the creditable evaluation and risk management of trust-owned life insurance (TOLI), consistent with the Uniform Prudent Investor Act (UPIA), the Uniform Trust Code (UTC), and financial and investment management practices.

This “shift” started in late 2008 and was propelled by many conversations and working with the late Bobby Alexander on several articles that we published together, and connecting with Randy Whitelaw in early 2011, who has become my close good friend and colleague, and, as I discovered, we share the same vision for TOLI. In researching this field I realized that all of the articles written on the topic were strictly written from the perspective of one professional discipline, yet it required an integrated approach from the perspectives of all of the estate planning disciplines. It is this integrated approach concept that led me to organize what I call the UPIA-TOLI group, or panel, consisting of attorney Larry Brody, actuary Dick Schwartz, life insurance professional Dick Weber, and TOLI trust consultant Randy Whitelaw, and myself. This group did several presentations at prestigious conferences including the 49th Annual NAEPC Conference and the Heckerling Institute on Estate Planning.

So what made me do this? While the “TOLI Insolvency Crisis”, caused by selling and evaluating non-guaranteed flexible premium life insurance policies based on linear policy illustrations and lack of properly managing these policies certainly had a huge influence, I think the true motivation was to do the right thing with respect to how life insurance is sold, creditably evaluated and properly managed with respect to the client needs, objectives, suitability and risk tolerances. Call me idealistic, but I hope someday that these approaches, procedures and techniques that my UPIA-TOLI group and I have been espousing for TOLI eventually “trickle down” and are applied to the sales, use and management of all life insurance.

Author: Joseph E. Lowry, AEP®, ChFC®, CLU®, AIF®, RHU®



WHY I DO WHAT I DO

Recently I had pause to reflect, again, on why I do what I do and why I have chosen to continue doing it, even beyond the age when most people have retired from their 'work'.

The answer is simple; I love what I do, because it allows me to fulfill my life-long desire "to help people improve the quality of their lives". Curiously, this quest has enabled me to live a wonderful quality of life, provide very well for wife and 3 children (in addition to my now 8 grandchildren), enjoy the respect of my peers, give generously to worthy causes, and give of my time to my church and the community organizations whose purposes matter most to me.

Vital to my success have been the valued associations I have enjoyed with competent attorneys, trust officers, and CPA's who, with me, have sought to achieve the most positive and appropriate outcomes for our mutual clients.

Instrumental in this outcome was an invitation, extended to me by an estate-planning attorney early in my career, to join the local Estate Planning Council. Not long after joining and upon receiving my CLU® and ChFC® designations the NAEPC announced the newly available AEP designation, which I immediately pursued and obtained in 1984.

Since that time I have attended a number annual NAEPC conferences, in addition to the usually recurring local chapter meetings, and have served a local chapter president and board member.

What I have always appreciated most about the annual national NAEPC conferences, and my local chapter meetings, is the consistent conveyance of immediately usable information. Unlike some organizations that thrive on the protracted treatment of the esoteric and theoretical in the realm of tax and finance, NAEPC gives me information I can use in my practice every day.

So in summary I say 'thank you' to the founders of NAEPC, and to those who have perpetuated its mantra of 'usable information, conveyed on a timely basis, to the end that our mutual clients are benefitted'.

I look forward to many more years of membership and involvement in NAEPC and my local chapter, heaven willing of course!.

"Vital to my success have been the valued associations I have enjoyed with competent attorneys, trust officers, and CPA's who, with me, have sought to achieve the most positive and appropriate outcomes for our mutual clients."



Author: Clark B. McCleary, CLU®, ChFC®, MSFS, AEP® (Distinguished)

Estate planning? Let's see if we can break that term down to common denominators: I am a CLU®, ChFC®, AEP® and a past president of NAEPC, yet I do not claim to be an estate planner. Yes, I give my clients a few ideas to consider, but my primary functions are to get those clients in front of the other members of the team and then to provide funding for whatever liquidity is needed in the plan; nothing does that as well as life insurance. The attorney is the primary estate planner because s/he designs the plan and then drafts the required documents. The CPA makes certain that the numbers and tax issues are correct and understood by all, and the trust officer stands ready to see that the estate plan is executed for years or decades after the client's demise (and many times handles other more current planning issues). Often CFPs, evaluation experts, planned giving professionals, and others also are part of that team. **I believe that to be the working definition of estate planning and of the NAEPC supported team approach to estate planning.**

Who benefits from that process? Certainly it is all the above, but most importantly, it is The Client!

The National Association of Estate Planners & Councils (NAEPC) will promote excellence in estate planning by serving estate planning councils and their credentialed members, delivering exceptional resources and unsurpassed education, and recognizing those members within who hold the Accredited Estate Planner® (AEP®) designation and Estate Planning Law Specialist (EPLS) certification.



Author: Editor S. Mark Alton, CFP®, ChFC®, CLU®, CAP®, CPWA®

As I took over as editor of this section of NAEPC News earlier this year from Robert E. Fox, CLU, AEP®, I did so understanding that I was filling very large shoes. Bob served as creator and editor of this special section of the newsletter since its addition in March 2011, making sure that readers were able to share the values of NAEPC in each issue with remarks provided by those of prominence within our profession, and sometimes sharing guiding principles of NAEPC.

Thank you, Bob, for serving as editor for over six years. Your time and energy is appreciated and I will work to carry on your legacy and values in the columns that follow.

WHO WE ARE

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