

The Pitfalls of Do-It-Yourself Estate Planning

By Robert M. Mansour
www.MansourLaw.com
661-414-7100

This year, I plan to do all my own dental work. First, I'm going to read about dentistry on the internet. Then, using some tools I have at home, I'm going to handle my own fillings, teeth cleanings, and root canals if necessary. Think of the money I will save!

Some people approach handling their legal affairs the same way. They figure, "How hard could it be? I will just buy some forms from the local drugstore, read some books, buy some software, or even better yet, I will do it all online! After all, the guy on the radio commercial swears by it, and I can get 10% off a living trust just by mentioning his name!" What you don't hear about is when things go wrong. You will never hear this commercial on the radio: *"Hi, I'm Dave and I did my own estate plan on LegalZoom.com. It was very inexpensive. I saved a lot of money, and did it all without a lawyer. Oh, by the way, my family got screwed, and I lost thousands of dollars to lawyers, taxes, and the courts...but otherwise, it was great!"*

Estate Planning laws change over the year (as do tax laws), and many canned forms or software use language that clients later learn is undesirable or entirely wrong. When you are dealing with something as important as legal documents designed to protect you and your family, you don't want to take chances. Save money by cutting back on Starbucks, change your own oil, or mow your own lawn. Don't draft your own estate plan. Every state also has its own unique laws, so don't try to use any form "good in all 50 states!" That alone should cause you to pause. If it sounds too good to be true, it probably is. Just that fact that every state has its own Health Care Directive (and they call it different things in different states) should cause you to be suspicious of such claims.

Some clients choose to use "do-it-yourself" estate planning software. In 15 minutes, they've devised their own estate plan! They print it out and they are so proud of themselves. It looks so official, and there's even a place for the notary to sign! (By the way, notary laws changed this year too) However, in most cases, the plan doesn't really address their concerns, or the plan is entirely wrong for them.

Aside from prefab forms and estate planning software, there is a growing trend to use online vendors like LegalZoom.com. Keep in mind that LegalZoom.com is a "document preparation" service...not a legal advisor of any sort. Clients who ask grow a bit concerned when I show them the website's disclaimer which reads, *"LegalZoom's document preparation service includes a review of your answers for completeness, spelling and grammar, as well as internal consistency of names, addresses and the like. At no time do we review your answers for legal sufficiency, draw legal conclusions, provide legal advice or apply the law to the facts of your particular situation. This website is not a substitute for the advice of an attorney. Furthermore, the legal information on this site is not legal advice and is not guaranteed to be correct, complete*

or up-to-date. Because the law changes rapidly, LegalZoom cannot guarantee that all the information on the site is completely current.” Now doesn't that make you feel good about using the website to draft important legal documents for you and your family?

More often than not, when I review canned trusts clients provide, I explain to them how many *kinds* of trusts there are, and the clients begin to understand. I explain how they paid \$500 for the wrong kind of trust and how they paid for forms they could have gotten for free from the probate code. Unfortunately, the free forms are inadequate for many situations. However, the document preparation services aren't allowed to give legal advice, so the best they can do is offer you the free form...except they charge you for it!

When it comes to estate planning, I encourage you to hire a professional with experience. This is not an area of your life when you want to take chances or cut corners. I don't do my own dental work. I go to the dentist.