

The “Daily Plan-It™”

ESTATE & BUSINESS LAW GROUP, P.C.

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6.4 Million Dollar Fine Slapped on ‘Trust Mill’ in Landmark Case

In a precedent setting case, the state of Ohio punished a father and son team for the unauthorized practice of law.

This story really spotlights the obvious reasons why clients should only obtain Living Trusts from a qualified estate planning attorney. If your clients are considering buying a Trust from someone who isn’t an experienced estate planning attorney, tell them what happened in Ohio:

‘A, O, Way to Go, Ohio’

The Ohio Supreme Court ordered two companies that duped thousands of senior citizens into buying unneeded legal plans and annuities to pay \$6.4 million in fines and barred them from doing business in the state.

The companies, American Family Prepaid Legal Corporation and Heritage Marketing and Insurance Services, Inc., are co-owned by Jeffrey and Stanley Norman.

The local bar association brought the case forward and accused the Normans of running an illegal “Trust mill” from 2003 through 2005, pressuring senior citizens into buying \$2,000 prepaid legal services and annuities with threats and promises.

According to Law.com, American Family bought lists of residents aged 65 and older and sent postcards with warnings about huge probate costs. Those who responded to the cards, and some who didn’t, were called to set in-home appointments with sales representatives.

Legal Advice without a Law Degree – Bad Idea

The salespeople, who were not attorneys, used high pressure tactics on customers to sell them plans that purported to include an array of legal services. However, the only legal service in nearly all cases was the creation of a living trust portfolio. The salespeople often answered questions incorrectly regarding the probate process.

The customers’ financial information was passed to an attorney in the company’s Ohio office and then forwarded to its California office, where Trust documents were completed and sent back to Ohio.

Heritage Marketing, which shared offices with American Family, delivered the documents to customers to be signed and notarized. While there, Heritage agents would try to sell them insurance and annuities.

This was all done with the sole intention of getting into people’s homes, obtaining their financial information and selling annuities and other insurance products, which of course was how these companies made even more money.

Know Who Your Client Is Dealing With

The key point of this story: Only a qualified estate planning attorney can expertly review a client’s financial and legal circumstances and then offer solid legal advice for planning purposes.

This is a case where the elderly were exploited and sold plans they did not need. However, as an advisor, you can help them avoid such pitfalls.

Explain how working with an attorney who is experienced in protecting wealth and knowledgeable of your state’s estate planning laws can provide a safety net for them and their families.

As always, I hope this article has helped you and your clients. If you have a specific concern or a case you’d like to discuss, please contact our office.

Workshop Schedule

The Truth about Estate Planning

Usually Tuesday nights, 7:00 pm
(Please call for current dates)



IRA Preservation Planning

Learn how to properly protect your IRAs and what the IRA Preservation Trust can do!
(Please call for current dates)

On February 8, 2006, President Bush signed into law the Deficit Reduction Act of 2005 (DRA 2005), which included the most sweeping changes to [Medicaid](#) laws ever enacted.

Medicaid Planning Workshop

The new Medicaid laws and some of the planning options that are still available, even in light of these sweeping changes.

Usually Tuesday nights, 7:00 pm
(Please call for current dates)

Registration: Contact Mary Lang at (847) 367-4460
<http://eblawgroup.com>

ESTATE & BUSINESS LAW GROUP, P.C.
Howard M. Lang, J.D. & Marguerite A. Kopke, J.D.

847-367-4460

We invite you also to direct your clients to
http://eblawgroup.com/FAQ_medicaid.htm
for more information on Medicaid Planning.