



Your Privacy and Personal Security

Important, Yet Often Overlooked Issues. Issues include structuring plans in a confidential manner, taking steps to prevent the disclosure of confidential information, avoiding public litigation, maximizing privacy at death, and protecting against physical and cyber-attacks. Consider the following:

Utilizing Revocable Trusts. Structuring the estate plan in a revocable trust, with a pour-over will, can keep details of the plan private at the client's death. Revocable trusts can also facilitate anonymous ownership of assets, to the extent that the client chooses a non-identifying name for the revocable trust and a third-party trustee. Speak with your tax and/or legal professional.

Limiting Disclosure of Information to Beneficiaries. Basis Consistency Reports are due to beneficiaries 30 days after the due date of the estate tax return. What if an estranged child is a beneficiary under the will, the executor (and the rest of the family) may be very reluctant to disclose all of the estate assets to that child. There are several planning solutions that could be considered to remedy this problematic outcome. Speak with your tax and/or legal professional.

Titling Real Estate and Other Assets. If you want to keep your ownership of particular assets anonymous, assets could be acquired in a business entity or revocable trust with a name that is not associated with you. Review the titling of all of your assets with your financial, tax, and/or legal professional.

NOTE: You may wish to keep ownership anonymous for various other types of assets as well, including automobiles, watercraft, aircraft, wine, gold, precious stones, coins, antiques, artwork, legal marijuana businesses, etc. Ownership through revocable trusts or LLCs could preserve your anonymity. However, revocable trusts are not a panacea and should only be considered after careful discussion with your tax and/or legal professional.

Charitable Planning Motivations. Motivations for anonymous giving include a desire to minimize solicitations, to keep anonymous for philosophical reasons, to avoid the public spotlight, and to avoid personal security risks.

Methods of Anonymous Giving. Methods for giving anonymously include:

1. Giving directly to a public charity (while the Form 990 for public charities must list substantial contributors, the IRS is required to redact the names and addresses of substantial contributors before it is publicly available).

2. Giving through a revocable trust or LLC (with a name that is not easily recognizable and that has a separate taxpayer identification number).
3. Giving to a designated fund at a community foundation (only the foundation's staff, but not public, would be aware of the donor).
4. Giving to a donor advised fund (gifts through a donor advised fund would allow anonymity to both the public and the ultimate charity).
5. Giving through a private foundation, by having the foundation make gifts to a designated fund or donor advised fund (grants from a private foundation directly to a public charity must be reported on the foundation's Form 990).

Securing Privacy at Death.

Death Certificate. Most states require reporting a decedent's death to local and state authorities through filing a death certificate.

Funeral Arrangements. Maintaining privacy in funeral arrangements may be difficult. Places of worship typically do not restrict people from attending the service (if the funeral will be held at a place of worship), and burial services in a public cemetery are obviously public. Individuals may choose to hold a private ceremony for family and close personal friends, with a separate public memorial service.

Obituaries. To have some degree of control of what goes in an obituary, an individual may consider writing his/her own obituary or providing a draft that can be updated at the his/her death. CAUTION: High-profile individuals may have multiple obituaries or "dueling" obituaries. As an example-

In a somewhat awkward case, the wife and girlfriend of a deceased man wrote competing obituaries that appeared side-by-side in a local newspaper. One obituary stated that the decedent "[was] survived by his loving wife." The other obituary, placed directly below the first, made no mention of the wife, but noted that the decedent was survived by "his long-time girlfriend." Hillary Hansen, Deceased Man's Wife and Girlfriend Write Competing Obituaries, Huffington Post, August 6, 2016.

Last Medical Records. HIPPA allows a decedent's personal representative to access medical records. You may wish to obtain non-disclosure agreements from individuals who may get access to medical records after your death, but who are not subject to HIPPA restrictions.

Cybersecurity.

Password Protection. Complex passwords obviously offer greater protection. Suppose your password is "Spartacus" in reference to your pet. A hacker can instantly crack this password. If you were to add some numbers to the password, so the password is "Spartacus12," a hacker can crack this password in roughly 14 minutes. If, however, you add numbers and a special character, so the password is "@Sparta12cus," a hacker will need approximately 275 days

to crack it. Even better, if the password is “Sp@artacusWENT2T0wn,” a hacker will need approximately 377 billion years to crack it. Your passwords really are of utmost importance.

Disposal of Electronic Devices. As an example of the importance of properly disposing of electronic devices, a security software company purchased 20 phones on eBay. The prior owners had performed a factory reset, believing that the pictures and personal information had been permanently deleted. The security company, however, was able to recover approximately 40,000 photographs, 750 emails, 250 contacts with names and addresses, and other files containing highly personal information. The Federal Trade Commission has a useful website that provides information regarding the disposal of electronic devices and securing online accounts.

The information above is based upon information from a panel discussion by John F. Bergner (Dallas, TX), R. Kris Coleman (with a security firm in McLean, VA) and Mark Lanterman (with a computer forensics firm in Minnetonka, MN).

While the above items represent only selected privacy and personal security issues, each point will give you momentum to address other issues. Tackling just one of the above points per quarter, with the able assistance of your fiscal team (financial advisor, CPA, attorney, et al), should move you towards reducing the number of gaps in your planning while enhancing the level of privacy of your affairs (of course, there is no guarantee of this).

This material is provided as a courtesy and for educational purposes only. Please consult your investment professional, legal and/or tax advisor for specific information pertaining to your situation.

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