

ESTATE UPDATE

THE ESTATE PLANNING & LEGAL NEWSLETTER OF THE LAW OFFICE OF SJOSTROM, LOFTHUS & ROUSAR, PLLP

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SUMMER-FALL 2007

JANUARY 1ST, JULY 1ST & AUGUST 1ST

What do these three dates have in common?

New Minnesota laws generally become effective on one of these three dates. Below is a summary of a few recently enacted laws:

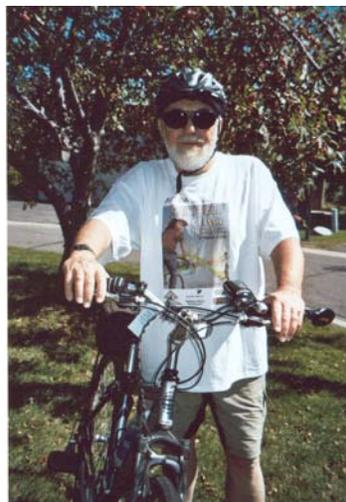
HOMESTEAD EXEMPTION: As of August 1, 2007, the value of your residential homestead that is exempt from the claims of creditors rose from \$200,000 to \$300,000. Under the old residential homestead exemption law, the maximum geographic size of your lot for this exemption was ½ acre or less. The new law eliminated the area exception. Additionally, the exemption value listed above will periodically rise in accordance with raises to other Minnesota exemption laws.

TICKET SCALPING LEGAL: For years, the practice of selling a ticket to a sporting event, concert or play for greater than the face value of the ticket was a criminal offense in Minnesota. As of August 1, 2007, the sale of a ticket for more than the face value of the ticket is legal.

GIFT CARD VALUES PROTECTED: We've all heard stories from gift card recipients who have delayed in

using a gift card long enough so the card's value was eliminated by fees and expiration dates. It is unlawful for any gift card to be sold after August 1, 2007 that has an expiration date or a service fee of any kind, including for non-use.

VENISON DONATION: For years, deer hunters have been giving extra venison to charitable groups to help feed the hungry. On July 1, 2007, a new program began which is designed to further encourage deer hunters to donate their venison by allowing meat processors to obtain a \$70 reimbursement for the cost of processing deer meat donated and delivered to charities.



OUTSIDE OF THE LAW:

Biking & Minnesota - a match.

Our lives are filled with work, but we also take time to enjoy the rest and best of life. Our OUTSIDE OF THE LAW pieces are designed to give a small view into our outside interests.

During the non-snowy months, many of us enjoy bicycling – it's fun, great exercise and not very expensive. Minnesota has more trails than any other state, with many picturesque rides located throughout the Twin Cities. If you bike, bike safely. ALWAYS wear a helmet. Carry your cell phone. Be sure your bike is in good shape (periodic service is a good idea). Carry plenty of water. Ride the trails when you can. Be courteous of other bikers and pedestrians. If you ride on streets and roads, remember the rules of the road apply to bikers too – ride with traffic, obey traffic signs and laws. Never assume that cars will see you or give you the right-of-way. If you ride at night, have reflective clothing and lights. And by all means, enjoy the outdoors!

In 2007, Don Sjostrom has biked over 800 miles throughout the Twin Cities.

ESTATE PLANNING IS:

TAKING THE NECESSARY TIME TO PROTECT WHAT YOU HAVE SPENT YOUR ENTIRE LIFETIME CREATING.

If you have a **WILL** and it has been more than three years since you have reviewed it, please contact our office for an **ESTATE REVIEW**, the first ½ hour is **FREE**.

If you have a **TRUST** and it has been more than one year since you have reviewed it, please contact our office for an **ESTATE REVIEW**, the first ½ hour is **FREE**.



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Scott W. Lofthus (1956 - 2001) Our colleague & friend

RETURN SERVICE REQUESTED

LEGAL PLANNING TIPS: SMALL IDEAS WITH A BIG IMPACT

ESTATE PLANNING TIP: RETIREMENT ACCOUNTS & CHARITABLE GIFTS - Do you plan to make charitable gifts as part of your Estate Plan? You can make such gifts during your lifetime or as a bequest in your Will or in your Trust. If you wish to make charitable gifts at your death, consider your retirement accounts as a charitable gift – tax planning tool. By naming your family members as beneficiaries of IRAs and 401(k)s, your family will pay income tax on every dollar of the account proceeds they receive. Charities pay no income tax on dollars they receive from a retirement account. Therefore, why not consider making your charitable gifts by naming the charity as a beneficiary of your retirement account? The charity can be a fractional or 100% beneficiary. Your non-retirement assets, which don't carry income tax obligation, pass by Will or Trust to your family members. Everyone wins except "the tax man."

BUSINESS PLANNING TIP: CORPORATE RECORD BOOK - One of the responsibilities of the corporate secretary is to maintain the Record Book of the organization. This book is the official record of approved corporate activities. Additionally, the Record Book lists ownership percentages of each shareholder. If the corporation is ever sued, your corporation will likely be required to provide copies of the contents of the Record Book. Also, if an owner seeks to leave the company, the Record Book should contain any agreement regarding a buy-out or restrictions regarding sale of a corporate interest to a third party. If your company's Corporate Record Book is not up to date, you should take the appropriate steps to have your Record Book accurately reflect the position of your business.

PERSONAL PLANNING TIP: PUTTING "ICE" IN YOUR CELLPHONE- ICE, which stands for "In Case of Emergency," is the brainchild of a British paramedic who came up with a possible solution for trying to locate an emergency contact from an injured person's lengthy cellphone address book. The designations of "Home," "Dad," "Mary," or "Work" mean a great deal to you, but not to an emergency responder. If your cellphone is a lifeline in time of crisis, advocates for this simple emergency preparedness step say that it is free and it is something individuals can do for themselves and their families. If you choose to take this step, you may wish to list more than one emergency contact, for example - "ICE1 - Dad" and "ICE2 - Mary."

DISCLAIMER: The contents of this newsletter are presented as general information and are not intended as legal advice to apply to any person or particular situation. Additionally, be mindful that the law is constantly changing and you should always inquire about the present state of the law in reference to all matters. If you have any questions concerning any matters covered in this newsletter, you should consult with an attorney for legal advice based on the individual circumstances of your situation.