



## Ticking time-bombs. Think again about Self-Help in Estate Planning

Legal Zoom is one of the most prominent sellers of do-it-yourself Wills and other estate planning documents.

If a simple Will costs you between \$150 - \$200 (as my office charges) and online legal document purveyor Legal Zoom charges \$90 for the same document, is the difference in savings always worth choosing the less expensive of the two?

The heirs of Anthony Farrentino would probably not think so.

Legal Zoom is now the target of a class action lawsuit in California charging that the company engages in deceptive business practices and is practicing law without a license. The lawsuit was filed in California by Katherine Webster, the niece of the late Anthony J. Ferrantino, and the executor of his estate.

Knowing that he had only a few months to live, Mr. Ferrantino asked Webster to help him use LegalZoom to execute a Will and Living Trust. Based on LegalZoom's advertising, Webster says she believed the documents would be legally binding and if they encountered problems, the customer service department would resolve them.

But after the Trust documents were signed, Webster could not transfer any assets into the trust because the bank that held his money **refused to accept the documents as valid**. Webster tried to get help from LegalZoom, with no success. The trust was still not funded when Mr. Ferrantino died in November 2007.

Webster was forced to hire a probate attorney to ask the court to allow the post-death funding of the trust. The attorney then had to convince the banks to transfer the funds -- a more difficult task following Mr. Ferrantino's death. The attorney also discovered that the Will had not been properly witnessed. All this cost Mr. Ferrantino's estate thousands of dollars.

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## **Ticking time-bombs. Think again about Self-Help in Estate Planning (cont'd)**

The lawsuit claims that Webster and others like her relied on misleading statements by LegalZoom, including a guarantee of 100 percent customer satisfaction. Webster is suing not only on her behalf but on behalf of anyone in California who paid LegalZoom for estate planning documents.

"LegalZoom's business is based on nurturing the false sense of security that people do not need to hire a traditional attorney," says attorney Robert Arns, an attorney who filed the lawsuit. "The complaint points out that LegalZoom advertises that you don't need a real attorney because its work is legally binding and reliable. That's misleading. Improperly prepared estate planning documents are a ticking time bomb that can result in improper tax consequences and other items that could cost the estate and heirs huge sums."

### **Can't Happen to you? Know about South Carolina and Witnesses**

Under a SC probate law "purging statute" a person who acts as a witness to a Will's execution and who is also named as beneficiary in that will, may have his bequest reduced and possibly disallowed. How many people who use their own form Wills downloaded from legal Zoom (or bought in packaged software) will be aware of that? How many people, looking for witnesses innocently ask other family members who are listed beneficiaries, be a witness to a will signing?

Everyone likes a bargain and many people don't like paying for something they believe can be completed by themselves. But at what cost? Whether your estate is worth \$10,000 or \$1,000,000, the costs to correct errors made by an inexperienced attorney-wannabe, who, with good intentions, makes an innocent drafting error, will easily exceed the \$60 savings (difference between a will at my office and the cost of a legal zoom will) in multiples.

**BOTTOMLINE-** Taking steps to save money in legal fees is commendable. But, do-it-yourself solutions when there are only marginal savings is unwise given the potential costs in straightening out errors that can easily develop by an inexperienced lay drafter of wills.

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