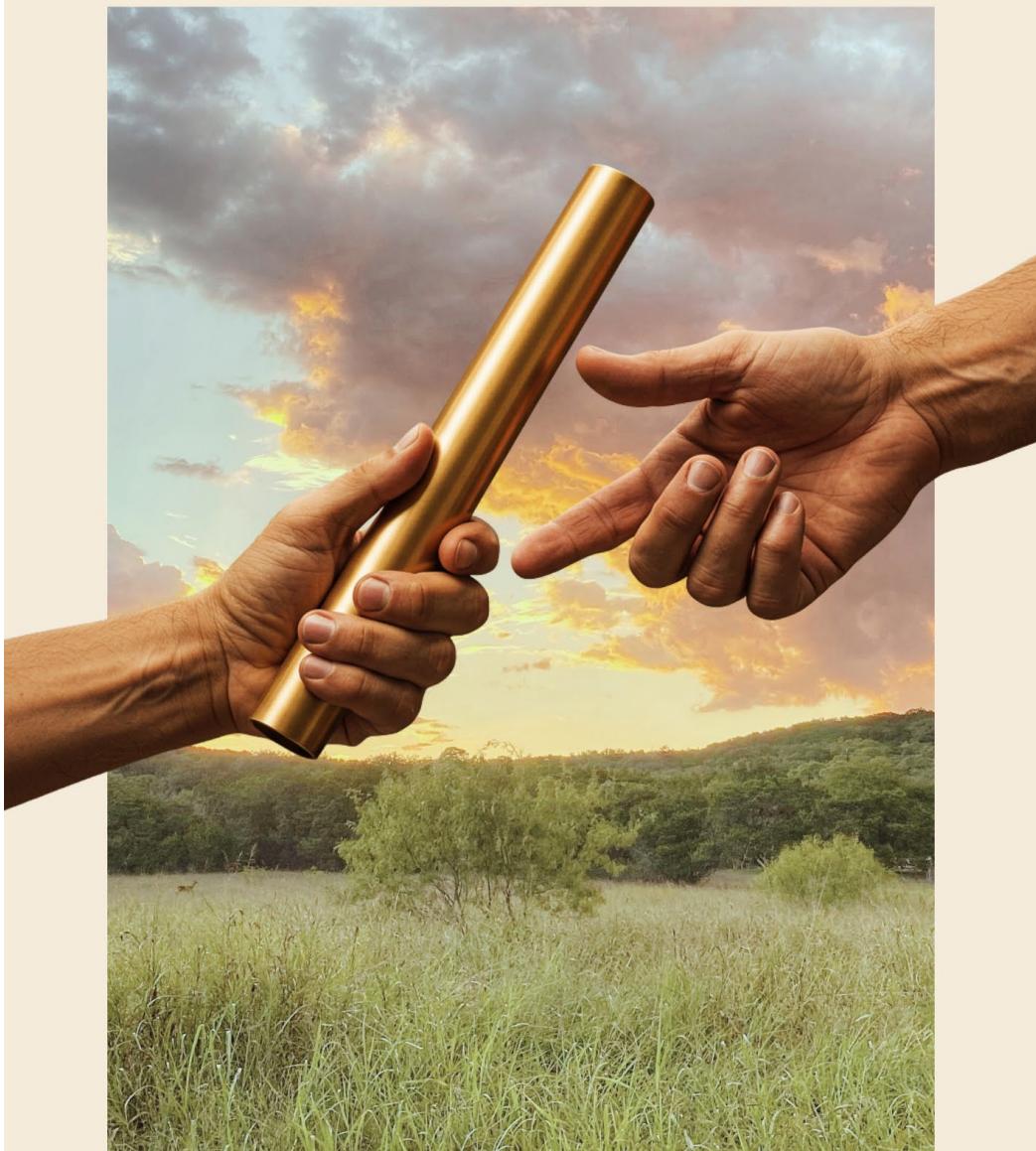


JOSEPH MICHAEL DICKERSON



PASSING IT ON

ENSURE YOUR LEGACY GETS IN THE RIGHT HANDS

# **PASSING IT ON**

**Ensure Your Legacy Gets In The Right Hands**

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## **FOREWORD: WHY I WROTE THIS BOOK, AGAIN**

Over the years, I've sat across from hundreds—maybe thousands—of Texas families, listening to their stories, their fears, and their regrets. Some came in with urgency, having just lost a parent, a spouse, or a sibling, and needing to figure out “what now?” Others came proactively, driven by a desire to protect what they've built—not just financially, but relationally. And then there were the ones who waited too long. That's why I wrote this book. *Passing It On: Ensure Your Legacy Gets In The Right Hands* is the natural continuation of the journey I started with my previous books, *The Roadmap to Rich: A Lawyer's Perspective to Getting and Staying Rich*, *The Three Bucket Method for Asset Protection*, and *A Texan's*

*Guide to the Probate Process.* Those books focused on creating wealth, protecting assets, and navigating probate. This book zooms out and looks at the whole picture—how to protect your legacy, avoid the court system, and leave your family with clarity, not conflict, with the intention to arm you with the tools to “bulletproof your legacy”.

The intention might sound bold. It’s supposed to. Because the pain that families experience when estate planning is done poorly—or not at all—is also bold. Probate court doesn’t care what your intentions were. It cares what your documents say. And if you don’t have the right documents in place, the State of Texas has a plan for you. Spoiler alert: it’s probably not the one you’d choose.

This book was born out of a seminar I’ve delivered to hundreds of Texans—business owners, working families, retirees—called *Bulletproof Your Legacy*. Attendees kept telling me, “I wish I had this information years ago,” or “I’m sending this to my parents.” So,

I decided to turn that teaching into something they could hold, refer to, and share with those they love.

Whether you're brand new to estate planning or you're reviewing your plan for the third time, this book is for you. It will walk you step-by-step through my strategies of how to avoid probate, protect your assets, and—most importantly—preserve peace in your family.

Let's get started!



## **INTRODUCTION: THE REAL REASON YOU ARE HERE**

Death Isn't the Problem. Delay Is.

If you're reading this, you're probably one of three people:

- 1. You've been meaning to get your affairs in order, and now's the time.*
- 2. You've just gone through the loss of a loved one and are scrambling to figure out what to do.*
- 3. You're thinking ahead and trying to avoid your kids resenting each other—or the court system—after you're gone.*

Whichever path brings you here, you're in the right place. I wrote this book because I've seen what happens when estate planning is done well—and when it's done late, wrong, or not at all. I've walked clients through unnecessary guardianship proceedings because no one had a medical power of attorney. I've seen siblings

sue each other over Mom’s house. I’ve helped a widow unlock bank accounts frozen for months because her husband “was going to get around to it.”

This book is here to help you avoid all of that. You’ll learn:

- *Why probate is more expensive than planning (yes, even in Texas).*
- *Why wills are not the gold standard (and how trusts pick up the slack).*
- *How to avoid fights between your kids and your second spouse.*
- *How to make sure your plan—not the government’s—decides who gets what.*

And if you’ve read *The Roadmap to Rich: A Lawyer’s Perspective on Getting and Staying Rich*, you already know: I believe in empowering people with real tools, not scare tactics. This isn’t theory. This is what I do every day.

Each chapter will close with clear action steps, case studies based on real clients (names changed), and cross-references to other resources, including my past books and our Bulletproof Your

Legacy seminar, and now, webinar, available online. And if you're the kind of person who prefers talking it through, you'll find a way to book a free consultation directly from the book.

This is your legacy. Don't leave it up to chance. Let's bulletproof it—together.



## **PART ONE – THE LEGACY AT RISK: WHAT HAPPENS IF YOU DO NOTHING**

### **Chapter 1: The Problem with Probate (and Why Texas Isn't So Bad)**

When George's boys walked into my office, they carried one of those plastic file tubs, the kind you get at Office Depot with the snap-on lid. Inside was their dad's life. Folders labeled "Insurance," "Bank Stuff," and "Will (Copy)" sat neatly on top. Beneath that were a few photos, an envelope with handwritten notes, and a ring of keys that jingled when they set it down.

"He always said he had everything ready," the younger one told me.

George had passed away three weeks earlier. A heart attack in his sleep. The boys were still trying to make sense of it all, and now they were here to “get the legal stuff handled.”

I get this scene a lot. In fact, it’s one of the most common stories I hear. A loved one dies. The family does their best to honor their wishes. And then they run smack into a brick wall called probate.

They had the will—but only a copy. The original was nowhere to be found. George had probably misplaced it or tucked it in some safe deposit box no one knew about. But under Texas law, if we can’t find the original, we have to assume it was revoked—unless we can prove otherwise.

That meant filing a motion. Swearing in witnesses. Arguing to a judge that George hadn’t meant to revoke anything.

The sons looked stunned when I explained this. “But it’s his will. He signed it.”

Yes, I told them. But without the original, the law presumes otherwise. And that's the moment they realized: this was going to be harder than they thought.

### ***Probate Is a Process, Not a Shortcut***

Here's what most people don't realize: even if you have a will, **your family still has to go to court**. Let me say that again, because this surprises nearly everyone I meet. **Having a will does not avoid probate.**

A will is your ticket into the system—not out of it. And probate, even in a state like Texas, which I'll admit is better than most—is still a legal process. That means deadlines. Paperwork. Filing fees. Attorneys. Judges. And delays.

In Texas, we offer something called **Independent Administration**. It's the more efficient version of probate. It

doesn't require the executor to get permission from the court for every little thing. That's good.

But even the best version of probate is still probate. You've got to wait on the court. Publish notices to creditors. Inventory the estate. Deal with real estate titles and frozen accounts. If someone objects? You're in for a ride.

And if the family doesn't get along—or if even one person thinks they were treated unfairly—that “simple estate” turns into a full-blown legal mess.

### ***The Real Cost of Probate Isn't Just Money***

Let me give you some numbers.

A typical probate case in Texas might run:

- \$3,000–\$15,000 in legal fees (more if there are complications).
- \$300–\$1,200 in court costs.

- Maybe another \$2,000–\$5,000 for appraisals, accounting, or executor bonds.

All of that comes out of your estate. That means your family gets what's left. But that's not what sticks with people. What really gets them is the time and the stress.

George's boys? They had to wait nearly a year to settle the estate. The house sat empty while they debated whether to sell or rent it. They had to drive to the county courthouse four times, each time missing work. One brother started feeling like the other was hiding something. It got tense.

The real cost of probate isn't measured in dollars. It's measured in strained relationships, missed opportunities, and unanswered questions.

### ***What If There's No Will at All?***

Let me tell you about another client—I'll call her Maria.

Maria's father passed away with no will. Everyone agreed she was his only living child. But because there was no will, we had to file a Determination of Heirship. That meant hiring a court-appointed attorney to verify the family tree. That attorney had never met Maria, but he had to sign off on who the heirs were.

We needed birth certificates, death certificates, sworn affidavits from old neighbors. We had to track down her father's ex-wife just to confirm she wasn't entitled to anything.

It took 14 months and over \$10,000 to close the estate. All of that could've been avoided with a will—or better yet, a trust.

### ***So, What's the Point?***

Here's what I want you to take away from this chapter:

1. ***Probate is public. Wills become court records. Anyone can look them up.***

2. *Probate is slow. Even the “easy” cases take months. Often a year or more.*
3. *Probate is expensive. Legal fees. Court costs. Professional appraisals.*
4. *Probate is emotional. Grieving families don’t need red tape and courtrooms.*

I tell every client: the best way to love your family is to leave them a plan—not a process. And while Texas may make it a little easier than other states, the only way to truly avoid probate is to plan ahead.

We’ll talk more about that in the chapters to come. But for now, here’s your first assignment:

Action Steps:

- Find your will. Is it the original? Is it signed and witnessed properly?

- List your major assets. What do you own, and how is it titled?
- Look at your beneficiaries. Who gets your life insurance, retirement, and accounts?
- Ask yourself: If I were gone tomorrow, what hoops would my family have to jump through?

If you don't like the answers—or if you don't know them—it's time to fix that. Book a call with my office. We'll walk through your situation together and show you exactly how to avoid the probate trap. Because probate is something your family should read about in this book—not experience firsthand.

## Chapter 2: The Danger of Dying Without a Plan

“If you don’t have a will, the State of Texas has one for you. You just may not like it.”

### *When the State Becomes Your Estate Planner*

I’ve lost count of how many times I’ve heard someone say, “I don’t need a will—my family knows what I want.” That may be true. Your family might know exactly what you want. But here’s the thing: **what they know doesn’t matter in the eyes of the law.**

The law cares about what’s written, signed, and executed properly. Without that, the State of Texas gets to decide. And let me assure you, their plan for your estate is... impersonal, to say the least.

It's written in black-and-white statutes—no flexibility, no consideration for relationships, no exceptions for “but he told me I could have it.”

### ***Teresa and the House That Wasn't Hers***

Teresa's father passed away unexpectedly. He'd remarried in his late 60s, and his wife Maria had been a steady part of the family for years. Teresa assumed that when her father died, the house he'd lived in for 25 years would be split between her and her two brothers.

What she didn't know was that the house, purchased after he married Maria, was considered community property. Under Texas law, **which meant Maria got the house outright**. Teresa and her brothers had no legal claim to it.

There was no malice—just the cold reality of the law.

Maria, grieving and overwhelmed, sold the home and moved closer to her sister. The kids lost not only the house but also a connection to a place full of memories. All of it was avoidable—with a simple plan.

### ***The Harsh Reality of Intestate Succession***

When you die without a will, you die intestate. Texas has a very specific formula for dividing your assets:

- **Married, no children:** Your spouse gets everything.
- **Married, with children from that marriage:** Your spouse gets all community property and one-third of your separate personal property; the rest goes to the children.

- **Married, with children from another relationship:** Your spouse keeps their half of the community property; your half goes to your kids.

- **Single:** Parents inherit. If they're gone, siblings inherit. If no siblings, nieces/nephews, then cousins.

The key takeaway? **It's a rigid chart, not a reflection of your wishes.** I've had cases where money went to estranged siblings in other states, while the person who actually cared for the deceased, often a friend, stepchild, or unmarried partner, got nothing.

### *The Tragedy of Big Ray*

Big Ray was a no-nonsense truck driver from Corpus Christi. No wife, no kids. He had a modest home, a solid retirement account, and one constant in his life: his niece Jennifer. She was there every holiday, took him to doctor's appointments, and made sure he never missed Sunday barbecue.

When Big Ray died, everyone in the family knew Jennifer was his "person." But because he never put it in writing, she got nothing.

The court-appointed attorney dug up six half-siblings Ray hadn't seen in decades. They inherited everything—by law. Jennifer was left with only the chihuahua, Chopper.

### ***The Surprise “Spouse”***

Common-law marriage trips up more families than you might think. Texas recognizes a marriage without a ceremony or license if three things are true:

- 1. The couple agreed to be married.**
- 2. They lived together in Texas as husband and wife.**
- 3. They represented themselves to others as married.**

If someone can prove all three, they have the same inheritance rights as a spouse with a marriage certificate.

I've had more than one probate start smoothly... until a “surviving spouse” stepped forward, claiming a common-law

marriage. Sometimes they were telling the truth. Sometimes they weren't. Either way, it meant delays, legal battles, and expenses.

### ***The Mess for Parents of Minors***

If you have children under 18 and you die without a plan, the court decides:

- **Who raises them (their guardian)**
- **Who manages their inheritance (guardian of the estate)**
- **When they get control of the money (spoiler: at 18)**

That last one should make you stop and think. Imagine your 18-year-old self with a \$200,000 inheritance. New car? Sure. Spring break in Cancun. Why not? Without planning, there's no way to delay or control that distribution.

### ***The Chain Reaction of Dying Without a Plan***

Here's what happens, step-by-step, in a typical intestate case:

1. A family member hires an attorney to open probate.
2. The court appoints an **attorney ad litem** to find all heirs—whether they're in the next county or across the world.
3. Everyone who might be an heir is contacted and given a chance to participate.
4. If there's real estate, it can't be sold without court approval.
5. Heirs who don't get along can hold up decisions for months—or years.
6. All of this becomes public record.

I've seen simple estates take over **two years** to close. Not because of the assets—but because of the people.

### ***A Plan Is More Than a Will***

A will is a good start, but it's not enough if your goal is to truly protect your family and your legacy. You need to think about:

- **Who will manage your affairs** if you're alive but incapacitated?
- **Who gets what**—and when?
- **How to avoid probate entirely** by using trusts and proper titling.
- **How to protect inheritances** from creditors, divorces, and bad decisions.

And most importantly, you need to make sure it's all legally documented.

### ***Your Next Step***

Here's what I tell every client at this stage:

- Make a list of your assets—big and small.
- Decide who should inherit them.
- If you have kids, decide who should raise them and manage their inheritance.

- Get it in writing.

If you don't, Texas will do it for you. And the results may look nothing like what you intended. In the next chapter, we'll start building the tools to bulletproof your legacy—so your family never ends up in one of these stories.



## **Chapter 3: Healthcare Decisions and Incapacity**

“Your family shouldn’t have to guess what you’d want—or fight about it—when you can’t speak for yourself.”

### ***The Call at 2 A.M.***

It was two in the morning when my phone buzzed. It was Sarah, a long-time client. Her father had been rushed to the hospital after a stroke. He was alive—but unconscious.

“Joe,” she said, her voice shaking, “they’re asking me if we should intubate him. I don’t know what he would want. I don’t know if he would want to be kept alive like this. What do I do?”

She wasn't asking me for the law. She was asking for peace of mind. She wanted to know she was making the choice her father would have made for himself.

The problem? Her father never wrote it down. No advance directive. No medical power of attorney. No living will.

So, the hospital turned to the family—Sarah and her two brothers, who lived in different states and had very different ideas about “quality of life.” Within hours, their grief turned into an argument. This is the reality for thousands of families every year.

### ***Incapacity: The Overlooked Threat***

When we talk about estate planning, most people think about death. But there's another equally important scenario, what if you're alive, but unable to speak or make decisions for yourself?

It could be a stroke. A car accident. Alzheimer's. Even a bad fall.

Incapacity can be temporary or permanent. But without the right legal tools in place, your family may have to go to court to get the authority to handle your medical and financial matters. That process is called **guardianship**, and it's a beast:

- You're **declared legally incompetent** by a judge.
- Someone is **appointed to make decisions** for you.
- Court **oversight is constant**, and expensive.
- Your personal business **becomes public record**.

Guardianship is the legal system's last resort. My goal for my clients is to make sure they never end up there.

### ***The Three Critical Healthcare Documents***

If you want to keep your healthcare decisions in your control, even when you can't speak, you need three core documents:

1. **Medical Power of Attorney** – Names the person you trust to make healthcare decisions for you.

2. **HIPAA Release** – Gives your decision-maker access to your medical records so they can make informed choices.
3. **Directive to Physicians** (also called a Living Will) – States whether you want life-sustaining treatment if you're terminally ill or permanently unconscious.

Think of these as your voice on paper. Without them, you're putting your fate in the hands of doctors, hospital policy, or relatives who may not agree.

### *The Story of Jack and Linda*

Jack and Linda were in their late 70s, married for 45 years. Jack was diagnosed with dementia. At first, it was mild—he misplaced his wallet, forgot names. But over time, it got worse.

They had no powers of attorney. Linda thought being his wife meant she could make decisions for him. She was wrong.

When Jack's condition worsened and he needed nursing home care, the facility wouldn't let her sign paperwork on his behalf. The bank wouldn't let her access an account in his name alone. Their adult children couldn't help because they had no legal authority either.

Linda had to file for guardianship over her own husband. It cost thousands of dollars, required ongoing court reports, and left her feeling like she had to "ask permission" to care for him. A simple set of documents could have avoided the whole thing.

### ***Why These Decisions Matter***

Here's what I tell my clients: these documents aren't just about what happens to you. They're about protecting the people you love from guilt, conflict, and uncertainty.

Without a plan, you risk:

- **Family conflict** – Loved ones fighting over what you “would have wanted.”
- **Delay in care** – Hospitals waiting for legal authority before acting.
- **Unwanted treatment** – Being kept alive by machines when you wouldn’t want to be.
- **Court intervention** – A judge deciding who makes your decisions.

I've seen families torn apart because a parent didn't leave clear instructions. I've also seen families move through crisis with unity because every choice was already spelled out.

### ***How to Choose the Right Decision-Maker***

Your healthcare agent should be:

- **Trustworthy** – Will they follow your wishes, even if they disagree?

- **Assertive** – Can they stand up to doctors, family, or outside pressure?
- **Available** – Will they be reachable in an emergency?
- **Calm under pressure** – Can they make hard decisions without panicking?

This might be a spouse, adult child, sibling, or close friend. But it's not always the person you think. I've had clients pick a child who lives across the country, only to realize a local friend would be more practical.

### ***Take Action Now***

Here's what you should do today:

1. **Pick your decision-maker** for healthcare.
2. **Talk to them** about your wishes—don't make them guess later.

3. **Sign the three core documents:** Medical Power of Attorney, HIPAA Release, and Directive to Physicians.
4. **Tell your family where to find them.**

If you already have these documents, review them. If your decision-maker has moved away, fallen out of touch, or passed away, update them immediately.

### *Why This Is Part of a Bulletproof Legacy*

Your estate plan isn't just about passing on money. It's about protecting your dignity, your values, and your voice—even when you can't speak.

In the next chapter, we'll talk about financial incapacity—what happens when you can't manage your own money and how to keep your bills paid, your assets protected, and your business running without a hitch.

Passing It On: Ensure Your Legacy Gets In The Right Hands

Because your life is more than just your “stuff.” It’s the decisions that shape your future.



## **Chapter 4: Financial Incapacity and Powers of Attorney**

“Bills don’t stop when you get sick. The question is—who’s allowed to pay them?”

I’ll never forget the look on Mark’s face when he sat down in my office. His wife, Anna, had been in a serious car accident two weeks earlier. She was in a medically induced coma, fighting for her life.

“She’s the one who handles all our finances,” he told me, his voice trembling. “Her name’s the only one on our main checking account. The mortgage is due, utilities are piling up, and the bank won’t even talk to me.”

Mark assumed that being married meant he could just step into her shoes. But the law doesn't work that way. If your name isn't on the account, you're not getting in without legal authority—and that means a financial power of attorney.

Mark's problem wasn't just about money—it was about time. The bank didn't care about his situation. They cared about their rules. Without a power of attorney, he would have to go to court to be appointed as Anna's guardian—a process that can take months and cost thousands.

### ***Incapacity Comes in Many Forms***

Most people picture incapacity as something that happens slowly—dementia, Alzheimer's, or a gradual decline in health. And yes, that's common. But it can also happen in the blink of an eye:

- A stroke that leaves you unable to speak or write.
- A workplace injury that puts you in intensive care.

- A sudden illness that requires long-term hospitalization.

Whether it's a slow slide or a fast drop, the outcome is the same—  
**you can't manage your own affairs, and someone has to do it for  
you.**

If you haven't given anyone that legal authority, the court steps in. And the court's choice of who gets that authority might not be yours.

### ***What a Durable Power of Attorney Does (and Why “Durable” Matters)***

**A Durable Power of Attorney (POA)** is one of the simplest but most powerful legal tools you can have. It allows you to name an agent—someone you trust—to manage your financial and legal affairs.

The word “durable” means it stays in effect even if you lose mental capacity. Without that, a standard POA would expire the moment you need it most.

Your agent can:

- Access and manage bank accounts.
- Pay bills, taxes, and insurance.
- Handle investments.
- Manage and maintain property.
- Sign contracts.
- Buy, sell, or refinance real estate.

Without this document, your loved ones may have to fight for guardianship just to do these basic things.

### ***Susan's Boutique and the Cost of Doing Nothing***

Susan ran a small but thriving boutique in San Antonio. She was the sole owner, and all business accounts were in her name.

When she suffered a massive heart attack, her husband wanted to keep the shop running until she recovered.

The problem? Vendors needed to be paid. Payroll was due. Inventory had to be ordered. The bank, bound by law, refused to release funds to him—because he wasn’t on the accounts and had no POA.

Within weeks, Susan’s boutique was in free fall. Orders were canceled, employees started looking for new jobs, and the reputation she’d built over years took a serious hit. By the time she was well enough to return, she’d lost two key staff members and several wholesale contracts.

One signature on one document could have kept her business alive.

### ***Immediate vs. Springing Powers of Attorney***

When creating a POA, you have to decide: should your agent be able to act **immediately** or only if you’re declared incapacitated (**springing**)?

A springing POA sounds safer—your agent can't act unless a doctor confirms you're incapacitated. But in reality, it can be a nightmare. You may need a doctor's written certification, which can cause delays in emergencies.

Most of my clients choose **immediate** powers of attorney—but only because we spend time making sure they pick someone absolutely trustworthy.

### ***Choosing the Right Agent***

This isn't just about who's good with money. It's about who will respect your wishes, keep records, and act in your best interest.

Your agent should be:

- **Trustworthy** – You're giving them access to everything you own.
- **Organized** – They'll be paying bills, managing accounts, and signing legal documents.

- **Available** – They need to be able to respond quickly in a crisis.
- **Financially responsible** – You don't want someone tempted to “borrow” your money.

Sometimes that's your spouse. Sometimes an adult child. Sometimes it's a professional fiduciary.

### ***The Guardianship Trap***

If you don't have a POA and you lose capacity, your loved ones have to go to court for guardianship. This means:

1. You're legally **declared incompetent**.
2. The **judge decides** who manages your affairs.
3. That person is **supervised by the court**—filing annual reports, paying fees, and sometimes even asking permission to spend your money.
4. Your personal business becomes part of the **public record**.

Guardianship isn't just expensive—it's humiliating for many families. And it's almost always avoidable.

### *Action Steps You Can Take Today*

1. **Choose your agent**—the person you'd trust with your last dollar.
2. **Sign a durable financial power of attorney** that meets Texas requirements.
3. **Tell your agent** where the document is and when to use it.
4. **Review it every few years** or when life changes.

If you already have one, make sure it's up-to-date and broad enough to cover everything you need. Texas law changed in 2017, and older documents may be missing important powers.

## ***Protecting More Than Just Money***

A financial power of attorney isn't just about paying bills about preserving stability. It keeps your business running, your investments safe, and your household functioning even when you can't be there to handle it.

And it's not just for the elderly. I've prepared powers of attorney for clients in their twenties before they traveled overseas, for business owners before big surgeries, and for parents heading into risky work environments.

Because the truth is, incapacity doesn't check your birth certificate before it shows up.

In the next chapter, we're going to talk about one of the biggest misconceptions in estate planning—why wills aren't enough—and how the right kind of trust can spare your family months in court, thousands in fees, and a mountain of stress.



## PART TWO – THE BULLETPROOF METHOD

### Chapter 5: The Four Keys to Bulletproofing Your Legacy

It's one thing to draft legal documents. It's another thing entirely to **bulletproof your legacy**. Over the years, I've seen clients walk into my office thinking they were "set" because they had a will they'd signed fifteen years ago, or a trust they vaguely remembered funding back when their kids were in grade school. And while those documents once fit their life like a tailored suit, life had changed — kids had grown, businesses had expanded, assets had multiplied — but the plan stayed the same. That's a recipe for failure.

One Friday afternoon, Mark walked into my office in San Antonio. He looked like a man who'd checked every box — a will, insurance policies, a small trust from years back. But what brought him in was a story from a close friend who'd just gone through a **brutal probate battle** that drained money, time, and peace of mind from the family. Mark's voice was steady, but his words carried weight:

“I don’t want my wife or kids sitting in a courtroom trying to convince a judge of my intentions. I’ve worked too hard for too long to have my legacy unravel.”

That’s when I explained what I’ve been telling families across Texas for decades: “A legacy isn’t bulletproof until you’ve locked in four essential protections. Miss one, and the whole plan can fall apart.”

These are the **Four Keys to Bulletproofing Your Legacy**:

**Key #1 — Protect Your Family from the Courts**

In *A Texan's Guide to the Probate Process*, I laid out the reality: a will is simply your ticket to the courthouse. It guarantees your family a seat in front of a judge — public records, delays, legal fees, and all. Probate in Texas can be faster than in some states, but it's still an open door to disputes, creditor claims, and unnecessary stress.

When Susan's husband passed unexpectedly, she didn't have to endure that. Why? Because they had a fully funded **revocable living trust**, properly maintained. Every account, property, and investment was titled correctly. Beneficiary designations matched the trust. They'd kept their plan updated. When the worst happened, her focus was on her family, not a court docket.

This isn't about avoiding the law — it's about using the law to your advantage. The right plan ensures private, smooth transitions without a judge in the middle of your family's business.

## Key #2 — Protect Your Assets from Creditors and Predators

I've seen wealth built over a lifetime evaporate because of a single lawsuit or bad deal. In The Three Bucket Method for Asset Protection, I describe how every asset you own should be assigned to one of three buckets; the Moving Parts Bucket, the Dirt Bucket and the Paper Bucket. In this book, I want to expand the notion of separating your assets into buckets with the Safe Bucket, the Growth Bucket and the Risk Bucket, and here they are:

- **Safe Bucket** — For assets protected under Texas law, like your homestead and certain retirement accounts.
- **Growth Bucket** — For investments that generate wealth but aren't at high operational risk.
- **Risk Bucket** — For assets that face direct liability exposure, like rental properties, operating businesses, or high-risk investments.

Mark's business lived squarely in the "Risk Bucket". We used a **Texas Series LLC** to isolate each branch of his operations, making sure one lawsuit couldn't threaten everything. It's not paranoia — it's prudent stewardship.

And it's not just about lawsuits. Predators can be ex-business partners, opportunistic extended family, or even unscrupulous caregivers. Asset protection isn't selfish; it's responsible.

### **Key #3 — Protect Your Plan from Taxes**

Taxes are the slow leak in the tire of your legacy. You might not feel the damage immediately, but over time, the pressure drops until you're running on rims. In The Roadmap to Rich, I talk about using the tax code as a tool rather than a threat.

For Mark, we considered:

- **Lifetime gifting** to reduce his taxable estate.

- **A charitable remainder** trust to benefit his church while lowering taxes.
- Ownership restructuring so life insurance proceeds would be **estate-tax free**.

The truth? These strategies aren't reserved for multi-millionaires. Even modest estates can be hit hard if the plan ignores taxes.

#### **Key #4 — Keep Your Plan Current**

A “set it and forget it” mindset is where most plans fail. Life changes. Laws change. Families change. A trust written in 2010 may be dangerously outdated by 2025.

Emily and Carlos, from New Braunfels, came in for a routine review. Everything looked good — until we realized they'd bought a significant new investment property and titled it outside their trust.

If something had happened to them, that one oversight would have forced their kids into probate court.

That's why our **annual maintenance program** exists. It's not just about paperwork — it's about keeping your plan alive. Just as you service your car to keep it roadworthy, you service your plan to keep it court- and tax-proof.

### *Bringing It All Together*

When Mark embraced all four keys, his estate plan stopped being a dusty file folder and became a living, breathing strategy.

- His family had a clear roadmap that bypassed the courthouse.
- His business and personal assets had layered protection.
- His tax exposure was trimmed down.
- His plan was set to evolve alongside his life.

“Now,” I told him, “if life throws you a curveball — and it will — your plan can catch it before it hits your family in the face.”

### ***Call to Action***

If you haven’t reviewed your plan against these four keys, you’re gambling with your family’s future. Don’t wait for a crisis to test your plan. Join me for an upcoming Bulletproof Your Legacy seminar, webinar or book a consultation, and let’s lock these protections into place before it’s too late.

## **Chapter 6: Avoiding Probate with a Revocable Living Trust**

When Mark left my office at the end of Chapter 5, we laid the foundation for a bulletproof plan. At its core there was a revocable living trust. It wasn't the flashiest part of his plan — there were no movie-worthy twists or high-dollar tax maneuvers — but it was the tool that would keep his family's future from being tied up in court.

I'll be honest: most people don't walk into my office asking for a trust. They come in saying, "We just need a will." And that's when I know we need to have a real conversation.

## ***The Illusion of “Simple” Probate***

In Texas, people love to say probate is “easy” compared to other states. And yes — we have some friendlier laws. But “friendlier” doesn’t mean “friendly.”

Probate still means:

- Filing legal documents in court.
- Waiting months (sometimes over a year) for the process to play out.
- Paying court costs, executor fees, and attorney fees.
- Making your estate a matter of **public record** — which means anyone can see what you owned, who’s inheriting it, and when they’ll get it.

In *A Texan’s Guide to the Probate Process*, I share the story of a woman who came into my office with a copy of her father’s will. She thought it was just a matter of “transferring the house” to her name. What she didn’t know was that the probate court would

require an appraisal, notices to creditors, a hearing to appoint her as executor, and six months of waiting before she could even sell the home.

### ***Trust vs. Will: Two Very Different Paths***

I explain to clients that a **will** is like a set of instructions you leave for a judge. A trust is like leaving your heirs the keys to the kingdom — no court required. Here's the big difference:

- A will only **takes effect after death** and forces your estate into probate.
- A trust **starts working the day you sign it**, and it keeps working if you become incapacitated or pass away.

A San Antonio couple I worked with thought their wills would “cover everything.” But when the husband had a stroke, his wife discovered she couldn't access certain accounts without a court order because they weren't jointly owned. A properly drafted trust

would have allowed her to step in immediately and manage their affairs without skipping a beat.

### ***Funding the Trust: The Step Everyone Misses***

The most common mistake I see is **creating a trust but never funding it**. Funding the trust means:

- **Deeding** real estate into the trust.
- **Retitling** bank accounts.
- **Changing** investment accounts to the trust's name.
- **Assigning** business ownership interests.

A couple from Laredo came in with a trust binder they'd paid another attorney to prepare. It was a work of art — leather-bound, gold-embossed, neatly tabbed. But not a single asset had been transferred into it. It was like a safe without a single valuable inside. If they had died, their kids would have ended up in probate court just like anyone else.

In my practice, I don't just hand over the trust and hope you follow the funding checklist. We walk clients through every transfer, prepare the deeds, and help with account changes. Because a trust without funding is like a plane without fuel — it may look ready to fly, but it's going nowhere.

### ***"I Have a Will, So I'm Good" — The Famous Last Words***

I remember a Houston family who came to me after their father passed. He had a well-written will and a reputation for being meticulous. But because he owned property in three Texas counties, his estate had to go through **three separate probate proceedings**. Each county requires its own filings, hearings, and attorney fees. What should have been a simple transition turned into a year-long headache.

Had those properties been titled in a trust, the transition could have been completed in weeks — privately and without the need for multiple court cases.

### ***The Privacy Factor***

Many people don't realize how much probate exposes. In court records, I've seen entire inventories listing every bank account, real estate holding, and investment — all publicly accessible. For families with valuable assets, that's like handing a roadmap to con artists and opportunists.

A trust keeps those details private. No one outside your family needs to know what you owned, what it's worth, or who got it. In one case, this privacy was priceless for a well-known business owner whose estate would have drawn public attention (and likely opportunistic claims) if it had gone through probate.

## ***Why This Matters for Your Family***

Avoiding probate isn't about dodging the law — it's about **loving your family well**. It's making sure your spouse doesn't have to beg a judge for access to joint accounts, or your kids aren't waiting a year to use funds for college.

When we funded Mark's trust, his wife had instant access to what she needed, the business kept running without interruption, and the kids could receive their inheritance without public scrutiny or legal delays. That's what peace of mind looks like.

## ***Call to Action***

If you think a will is enough, I urge you to read the probate case studies in *A Texan's Guide to the Probate Process*. Then let's sit down and talk about building — and properly funding — a trust that keeps your family out of court and in control.



## **Chapter 7: The Three Buckets of Asset Protection**

Over the years, I've come to realize that wealth itself isn't what gives families peace of mind. Structures do. Systems do. The way assets are organized, protected, and transferred is what determines whether a family legacy stands the test of time or falls apart under the weight of lawsuits, taxes, or bad luck.

That's why I created what I call the Three Bucket Method of Asset Protection — a strategy so simple that I can explain it on the back of a napkin, but powerful enough to safeguard multimillion-dollar estates. Every asset you own belongs in one of three buckets:

**The Moving Parts Bucket** – for businesses, operations,

employees, and anything that can go wrong quickly.

**The Dirt Bucket** – for land, real estate, and properties that don't move (but carry their own risks).

**The Paper Bucket** – for cash, stocks, retirement accounts, and intangible investments.

Think of these buckets as watertight compartments on a ship. If the hull is breached in one section, the others stay dry. Without these compartments, one crack can sink the whole vessel. And trust me — I've seen more than one family ship sink because everything they owned sloshed around in the same leaky bucket.

In this book, this method plays a central role. Because you're not just trying to build wealth — you're trying to transfer it, intact and functional, to the next generation. That's the difference between leaving your heirs a gift and leaving them a mess.

## ***Why Buckets Matter for Legacy Planning***

Before we dive into each bucket, let's answer the "why."

Why divide things up this way at all? Here's the short answer:

because risk doesn't treat all assets equally.

Your business is risky because it has moving parts: employees who might sue, customers who might slip, contracts that might fail.

Your real estate is risky because someone can fall on the property, file a claim, or drag you into court over title or zoning. Our investments are risky in a different way — not because they cause harm, but because they're vulnerable to being scooped up to pay off liabilities from other areas.

If all three sit in the same pot, a single lawsuit or crisis can burn through everything. But when you separate them, you can contain damage. One bad day doesn't have to become a bad decade.

That's why this chapter sits right in the middle of *Passing It On: Ensure Your Assets Get in the Right Hands*. Estate planning isn't just about transferring assets; it's about transferring them safely, in a way that won't blow up in your children's faces.

### ***Bucket 1: The Moving Parts Bucket (Operations)***

The first bucket is for anything with moving parts — and I don't just mean engines and gears. I mean people, contracts, customers, and liability exposure. This is where we put businesses, professional practices, and entrepreneurial ventures.

#### Why it's risky:

Because businesses are unpredictable. Employees can make mistakes. Vendors can fail. Customers can sue. And if your business is legally tied to your personal wealth, you've put your entire estate on the chopping block.

### Case Study: The Fajita Fire

A client of mine owned both a Tex-Mex restaurant and a family ranch. He ran both in his personal name, figuring, “It’s all mine anyway.” Then a kitchen fire injured an employee and a patron, sparking a lawsuit. Suddenly, not only was the restaurant at risk — so was the ranch. One accident in the Moving Parts Bucket threatened to torch the Dirt Bucket as well.

We restructured: the restaurant went into its own LLC, with insurance as backup. The ranch went into a trust. Next time the fajitas got too spicy, only the restaurant’s assets would be on the line, not the entire family fortune.

#### Tools for this bucket:

**LLCs or Series LLCs** – each business or line of operation gets its own container.

**Corporations** – for more complex or tax-sensitive structures.

**Insurance** – never a replacement for structure, but a necessary layer of defense.

Legacy connection:

If your family inherits a business, you want them to inherit a functioning asset — not a ticking time bomb. With the right Moving Parts Bucket setup, they can choose to run it, sell it, or hire management, without fear that a lawsuit from 2025 will drain their inheritance in 2030.

***Bucket 2: The Dirt Bucket (Real Estate)***

The Dirt Bucket is for land, homes, rentals, ranches, or commercial buildings. Dirt doesn't move, but it attracts problems like a magnet.

Why it's risky:

Because land creates liability. Tenants fall. Visitors trip. Taxes go unpaid. Property lines are disputed. And every piece of real estate you own can drag the rest of your wealth into the fight — unless you separate them.

### Case Study: The Duplex Domino Effect

A landlord in Austin owned three duplexes in his personal name. One tenant's guest fell on a staircase and sued. Suddenly, not just the duplex with the staircase, but all three properties — and the landlord's personal accounts — were fair game. One loose step threatened to topple everything.

We solved it by putting each duplex into its own Series LLC, all held inside his trust. From then on, a problem at one address stayed contained at that address.

### Tools for this bucket:

**Series LLCs** – each property gets its own “cell” of liability.

**Trusts** – hold title to properties for probate avoidance and smoother management.

**Insurance** – umbrella liability policies add another layer of protection.

Legacy connection:

Real estate is often the most emotionally charged asset in an estate. The family ranch, the lake house, the home where generations grew up — these carry more than financial value. They carry identity. Protecting them isn't just about dollars. It's about keeping the family's history intact and ensuring that a single lawsuit doesn't force a sale.

***Bucket 3: The Paper Bucket (Cash and Investments)***

Finally, the Paper Bucket. This is where we put assets that exist on paper: bank accounts, stocks, bonds, retirement funds, life insurance, even intellectual property and cryptocurrency.

Why it's risky:

Not because the Paper Bucket itself causes harm, but because it's easy pickings. If your Paper Bucket is legally tied to your Dirt or Moving Parts buckets, creditors or plaintiffs can dip into it like a piggy bank.

Case Study: The Forgotten 401(k)

A man in San Antonio passed away with a well-drafted will — but his 401(k) still listed his ex-wife as the beneficiary. His new wife and kids assumed the money would go to them. Instead, the ex-wife showed up with legal rights to the account. It was airtight and unavoidable. All because the Paper Bucket wasn't checked and updated.

Tools for this bucket:

**Trust alignment** – making sure beneficiary designations match your estate plan.

**Custodial accounts** – for minors who aren't ready for outright inheritance.

**Life insurance trusts** – to keep large death benefits outside the taxable estate.

**IP assignments** – patents, copyrights, and trademarks should be formally assigned to the trust.

Legacy connection:

This is often where your heirs feel the impact most directly. Paper assets are what pay for college, fund businesses, or cover living expenses after you're gone. A clean, protected Paper Bucket ensures they receive those funds quickly, without court intervention or tax surprises.

## ***How the Buckets Work Together***

Buckets aren't just about separation; they're about balance. Each one plays a role in your legacy plan. The Moving Parts Bucket generates cash flow. The Dirt Bucket builds stability and long-term value. The Paper Bucket provides liquidity and flexible wealth. Together, they create a system that sustains itself. Cash from Moving Parts can flow into Paper. Appreciation from Dirt can be reinvested into Paper. Paper can fund new Moving Parts ventures or maintain Dirt properties.

The key is never mixing liability. Each bucket needs its own container, its own lid, and its own rules. That way, when life throws a lawsuit, a downturn, or a health crisis at you, your entire legacy doesn't get spilled on the floor.

## ***Bringing It Back to Passing It On***

Why devote a whole chapter in *Passing It On* to the Three Buckets? Because your heirs aren't just inheriting assets. They're inheriting structures — or the lack of them. If you lump everything together, they inherit chaos. If you separate and structure with buckets, they inherit clarity.

Think about it this way: when your kids or spouse step into your shoes, will they be handed a clear map, with assets organized and protected? Or will they be handed a messy drawer of risks, liabilities, and surprises?

Buckets give them the map. Buckets keep them out of probate. Buckets preserve not just money, but peace of mind.

## ***A Bucket Checklist for Your Family***

Here's a simple exercise: take a blank sheet of paper and write three columns — Moving Parts, Dirt, and Paper. List every asset you own under the right column. Now ask yourself:

- Are my Moving Parts (businesses) in separate LLCs?
- Are my Dirt assets (real estate) insulated from each other and in my trust?
- Are my Paper assets (investments, insurance, accounts) aligned with my trust and up to date?

If the answer to any of those is “no” or “I don’t know,” then your plan has holes. And holes are exactly where lawsuits, probate courts, and taxes love to sneak in.

## ***Final Word: Simple, But Not Easy***

The Three Bucket Method is simple. But don’t mistake simple for easy. Setting it up requires legal work, careful titling,

and ongoing maintenance. But once it's in place, the peace of mind is unmatched. Mark, the client we've been following throughout this book, used the method to restructure his wealth:

- His construction company went into the Moving Parts Bucket (LLC).
- His rentals and ranch went into the Dirt Bucket (Series LLC and trust).
- His retirement accounts, insurance, and savings went into the Paper Bucket (all aligned with his trust).

When he finished, he told me, "I finally feel like everything I've built won't collapse if I take my eye off it for one day." That's exactly the point.

Because one day — whether it's incapacity, death, or just the normal course of time — you will take your eye off it. And the whole goal of Passing It On is making sure your family is ready for that day.

***Call to Action***

Don't wait until the buckets are overflowing or spilling onto the floor. Start sorting now. Identify your Moving Parts, your Dirt, and your Paper. Then put them into proper containers with the right tools. That's how you don't just build wealth. That's how you pass it on.



## **PART THREE – SPECIAL CIRCUMSTANCES AND STRATEGIC PLANNING**

### **Chapter 8: Business Owners and Legacy Planning**

When I meet with business owners, I often start with a simple but uncomfortable question: “If you didn’t show up to work tomorrow — ever again — what would happen?”

For Mark, the answer was instant: “Everything would fall apart.” He wasn’t exaggerating. His company revolved around him — the relationships, the contracts, even the passwords. Like so many entrepreneurs, he was the business. But here’s the problem: while that may work for building something great, it’s a disaster for leaving a legacy.

## ***You're the Business — But Your Family Isn't***

Business owners often blur the lines between personal identity and professional role. You've spent years — sometimes decades — building something from scratch. It's your pride, your income, and your retirement plan all rolled into one.

But your spouse and children? They didn't sign up to run payroll, negotiate with vendors, or manage employees. They want — and deserve — the benefit of what you built without being trapped in the chaos of daily operations.

I've seen too many families inherit a company only to shut it down within a year because they didn't know how to keep it running. That's not a legacy — that's an unintentional liquidation.

In *The Roadmap to Rich: A Lawyer's Perspective to Getting and Staying Rich*, I talk about the difference between creating wealth and transferring wealth. If your business is your biggest asset, your estate plan has to bridge that gap.

## ***Succession Planning and Operating Agreements***

Succession planning isn't just for Fortune 500 companies. It's for every business that has customers, employees, or ongoing contracts.

The first step is knowing who will run the business when you can't. Is it a partner? A key employee? A child who's been working alongside you? Whoever it is, the plan has to be documented and legally enforceable.

That's where **operating agreements** (for LLCs) or **buy-sell agreements** (for corporations and partnerships) come in. These aren't just legal formalities — they're your rulebook for ownership transfers, decision-making authority, and dispute resolution.

### Case Study:

A San Antonio manufacturing company lost its founder unexpectedly. His two adult sons inherited equal shares but had very different visions for the future. Without a clear buy-sell agreement, they ended up in court — burning through both the company's cash reserves and their own inheritances. By the time it was over, the business was sold to pay legal fees.

Compare that to another client who had a detailed succession plan. When he passed, his operating agreement allowed the remaining partners to buy out his share using life insurance proceeds. His family received fair value in cash, and the company never missed a payroll.

### ***The Payroll Lockout Problem: No One Has Access***

One of the most overlooked crises in business estate planning is what I call the Payroll Lockout Problem. It happens when the owner is the only one who knows the payroll login, bank account passwords, or vendor authorizations.

When that owner is suddenly gone — due to death, illness, or incapacity — employees can't get paid, vendors stop delivering, and customers lose confidence overnight.

#### **Example:**

A Houston construction firm lost its founder in a car accident. His widow had no access to the business bank account. Within a week, employees were threatening to walk out. Within a month, the company lost two major contracts. All because no one could sign checks or process payroll.

In my practice, we solve this by:

- **Granting limited financial authority** to trusted individuals via durable powers of attorney.
- **Maintaining secure, encrypted access** to all critical passwords with clear instructions for succession.
- **Structuring entity ownership** so that decision-making **authority automatically shifts** upon death or incapacity.

### *Why This Matters*

For business owners, your company is often your largest and most complex asset. If you fail to plan, you're not just risking family conflict — you're risking the collapse of the very thing you worked so hard to build.

Mark understood this. We created a written succession plan, updated his LLC operating agreement, and gave his wife immediate authority to access payroll and accounts if needed. His business could keep running smoothly, whether he was in the office, on vacation, or — in the worst case — gone altogether. That's how you turn a business from a job you own into a legacy you leave.

### ***Call to Action***

If your business can't run without you, your estate plan is incomplete. Read the business planning section in *The Roadmap to Rich: A Lawyer's Perspective on Getting and Staying Rich*, then let's design a plan that protects your life's work — and the people who depend on it.

## **Chapter 9: Blended Families, Second Marriages, and Minor Children**

When Mark's plan was nearly complete, he introduced me to a friend, Carla, who was in a far more complicated situation. Carla had been married before, had two children from her first marriage, and was now married to David, who had one child from his own previous relationship. Together, they also had a young daughter.

Carla's concern was one I hear all the time: *"I want to take care of David if something happens to me, but I also want to make sure my kids from my first marriage aren't cut out of my estate."*

If you're in a blended family, you already know that your love and commitment don't erase the complexity. Estate planning in these situations isn't just about documents — it's about managing relationships, expectations, and, sometimes, old wounds.

## ***What Texas Law Does When It Gets Complicated***

Texas law has default rules for inheritance, but those rules don't take your family's unique dynamics into account.

For example:

- If you die without a will, your **community property** may not go entirely to your spouse. In certain cases, your share could pass directly to your children — even if they're minors — which may surprise your spouse.
- **Separate property** (assets you owned before marriage or inherited during marriage) is divided differently, often going partially or entirely to children from a prior relationship.

I've seen situations where a surviving spouse is suddenly co-owning a house with stepchildren. Even when relationships are good, this can create tension — especially if one party wants to sell and the other doesn't.

Carla realized that if she didn't plan, her home could end up jointly owned by David and her adult son from her first marriage. That's a recipe for conflict — not because either person is malicious, but because they have different needs and priorities.

## ***Using Trusts to Keep the Peace***

A **revocable trust** is one of the most effective tools for blended families. It allows you to:

- **Provide** income and housing for a surviving spouse during their lifetime.
- **Ensure** that, upon the spouse's death, remaining assets pass to your chosen beneficiaries (including children from prior relationships).
- **Avoid probate**, which can bring tensions into the open at the worst possible time.

### Example:

A client in San Antonio set up a trust that allowed her husband to live in their home and access income from certain investments for as long as he lived. Upon his death, those assets automatically passed to her children. The instructions were clear, the process was private, and there was no room for interpretation or dispute.

Without the trust, her husband might have had to sell the home, or her children might have been forced to buy out his interest — situations that can quickly destroy family harmony.

## ***Why “Simple” Wills Are Dangerous in These Families***

A simple will might say, “I leave everything to my spouse,” or “I divide everything equally among my children.” But in a blended family, that can unintentionally disinherit someone.

If Carla left everything outright to David, he could — intentionally or not — leave all of it to his own child when he died, cutting out Carla’s children entirely. Even if David promised not to, life changes: remarriage, new stepchildren, or simple oversight could rewrite the outcome.

Conversely, if she left assets directly to her children, David could be left without enough to maintain his lifestyle.

This is why trusts, layered with clear instructions, are so critical. They allow you to balance immediate care for your spouse with long-term protection for your children’s inheritance.

## ***Why This Matters***

Blended families require **intentional planning** because Texas law will not naturally preserve the balance you want. In these situations, estate planning is about more than dividing assets — it’s about preserving relationships. Carla left my office with a plan that:

- Gave David the **security** of their shared home and income for life.
- **Guaranteed** that her children from her first marriage would inherit specific assets.
- **Protected** her young daughter's future with a guardian and trust provisions.

No one was left guessing. And that's the greatest gift you can give in a blended family — clarity.

### ***Call to Action***

If your family looks different from the “traditional” model, your estate plan must reflect that reality. Read the blended family case studies in *A Texan's Guide to the Probate Process*, then let's create a plan that keeps the peace long after you're gone.



## **Chapter 10: Real Estate, Rental Properties, and Legacy Assets**

When it comes to building and preserving wealth, few assets carry as much weight — literally and figuratively — as real estate. For many families I work with, real estate is more than just property; it's history. It's the house where the kids grew up, the ranch that's been in the family for generations, the duplex that's been producing steady rental income for decades.

But while real estate can be a powerful legacy asset, it can also become a probate nightmare or a legal target if not properly structured.

### ***Deeds, LLCs, and TODDs***

Texas gives us several tools to transfer real estate without going through probate:

- **General Warranty Deeds or Special Warranty Deeds** — used when moving property into an entity like an LLC or into a trust.
- **Transfer on Death Deeds (TODDs)** — a low-cost option for passing property directly to a beneficiary at death without probate.
- **LLCs** — ideal for holding rental or commercial properties to separate liability.

Example:

A client in Laredo owned three rental properties and kept them in her personal name. When a tenant's guest was injured on one property, the lawsuit threatened all three. By moving each property into its own Series LLC, we ensured that a problem at one address stayed in that compartment, protecting the others.

TODDs can be a useful stopgap for a single piece of property, but they can't do what a properly funded trust or LLC can: provide ongoing management, keep properties together for multiple beneficiaries, and shield liability.

## ***Avoiding Probate and Preserving Step-Up in Basis***

One of the hidden benefits of holding real estate in a trust is **avoiding probate while preserving tax advantages**. Here's why this matters: when someone inherits property, they typically receive a **step-up in basis** — meaning the property's value is reset to its fair market value on the date of death. That step-up can wipe out decades of capital gains for tax purposes.

If you transfer property during your lifetime without careful planning, you could accidentally forfeit that benefit, leaving your heirs with an unexpected tax bill.

### Example:

In *A Texan's Guide to the Probate Process*, I tell the story of a San Antonio man who transferred his home to his son years before his death to “avoid probate.” The result? The son’s tax basis was the father’s original purchase price, not the stepped-up value. When the son sold the house, he owed tens of thousands in capital gains tax that could have been avoided with better planning.

## ***Leveraging the Trust for Land and Rental Cash Flow***

For larger real estate portfolios, especially those producing income, a trust is more than a probate-avoidance tool — it's a management structure.

With a trust:

- You can **designate a trustee** to manage rental operations if you're incapacitated.
- Income can be distributed **according to your instructions** — equally among heirs or perhaps weighted to the family member actively managing the properties.
- The properties **remain under unified control**, preventing them from being prematurely sold off or divided in ways that reduce their value.

Example:

A family ranch outside of New Braunfels had been in the same family for over 100 years. The owner used a trust to ensure the ranch stayed intact for agricultural use, provided a modest income stream to each of his children, and set conditions for sale only if every beneficiary agreed. The trust didn't just preserve the land — it preserved the family's connection to it.

## ***Why This Matters***

Real estate is one of the most emotionally charged and financially significant assets in any estate. Done right, it can provide stability, income, and generational wealth. Done wrong, it can become the source of family feuds, tax problems, and avoidable losses.

Mark's plan, for example, placed his primary home in his revocable trust for probate avoidance, structured his rental properties in separate LLCs owned by the trust, and included instructions for the trustee to maintain and lease the properties. This ensured a smooth income stream for his family while keeping the tax advantages intact.

## ***Call to Action***

If you own real estate in Texas — whether it's one home or a portfolio — it's time to decide how it will be managed, transferred, and protected. Read the real estate section in *The Three Bucket Method for Asset Protection* for entity strategies, then let's map out a plan that keeps your property out of probate and in your family's hands.



## **PART FOUR – GETTING IT DONE: THE PLANNING PROCESS**

### **Chapter 11: What to Expect from a Real Estate Plan Consultation**

When people come into my office to talk about their real estate, they often expect me to jump straight into deeds and LLCs. But a good real estate plan consultation starts long before we talk about paperwork. It starts with understanding your story.

Real estate isn't just square footage — it's part of your life. It's where you raised your kids, the building that houses your business, or the rental that supplements your retirement income. My goal in a consultation is to figure out not just what you own, but what you want it to do for you and your family — now and for years to come.

### ***The Questions I Ask (and Why They Matter)***

If you've never been through one of these consultations, you might be surprised at the questions I ask. Some seem straightforward:

- What properties do you own?
- Are they titled in your name, jointly, or in an entity?
- Who actually uses the property?
- Is there income? If so, who manages it?
- Do you see this property staying in the family, or would you prefer it to be sold at some point?

The answers tell me whether we need an LLC, a trust, a Transfer on Death Deed, or some combination. They also reveal potential conflicts that may not be obvious.

#### Example:

I once had a client with two sons who each wanted to inherit the family ranch. The problem? One wanted to keep raising cattle; the other wanted to sell and invest the money. Without addressing this in the plan, they would have been on a collision course. By using the trust to grant the first son operational control and giving the second son a fair cash buyout funded by a life insurance policy, we kept both the land and the peace intact.

### ***Who Needs to Be in the Room***

In many cases, it's best to have all decision-makers in the consultation. That might mean:

- Both spouses.
- Adult children, especially if they'll be managing property in the future.
- Business partners if the property is tied to an enterprise.

This isn't always comfortable — sometimes old family disputes surface. But it's far better to work through them with me in the room than to leave them for a probate judge to untangle.

#### Tip:

If you have heirs who don't get along, we can meet with them separately and then present a proposed plan. This allows for open discussion without creating unnecessary tension in the room.

### ***Case Study: How Jesus and Nora Got It Right***

Jesus and Nora came to see me about their four rental properties in Corpus Christi. They had one adult daughter who was responsible and financially savvy, but they also wanted a portion of the rental income to go to their church after they were gone.

In our consultation, we:

- **Reviewed** the title history for each property.
- **Determined** which ones needed to be placed in a Texas Series LLC for liability protection.
- **Moved ownership** of the LLC into their revocable living trust.
- **Included instructions** in the trust for their daughter to receive management authority and 80% of net rental income, with the remaining 20% going directly to the church.

The beauty of this plan is that it worked for now — Jesus and Nora could step back from active management — and for later, ensuring their wishes would be carried out exactly as written.

## ***Why This Matters***

A real estate plan consultation is not just a legal meeting — it's a strategy session for one of your most valuable asset classes. We're not just filling out forms; we're building a framework to:

- Avoid probate.
- Reduce liability exposure.
- Preserve income streams.
- Keep the property in the right hands for the right purposes.

By the time you walk out of my office, you'll have a clear map of where your properties are, where they're going, and how they'll get there. And that map will be built on your goals, not just default state laws.

## ***Call to Action***

If you own property in Texas, don't leave its future to chance. Schedule a real estate planning consultation and bring the people who will be part of its legacy. That one meeting can save your family years of confusion and conflict — and keep your property right where it belongs.



## Chapter 12: What a Trust-Based Plan Includes

When clients first come to me asking about a trust, they often have a simple question: “*Do I need one?*” My answer is usually, “Not everyone needs a trust — but if you want control, privacy, and efficiency, it’s worth serious consideration.”

A **trust-based plan** is more than just a single document. It’s a package of coordinated legal tools that work together to protect your assets, direct your care, and ensure a smooth transfer of wealth — without court involvement.

### ***Revocable Living Trust***

The Revocable Living Trust is the centerpiece. It allows you to:

- **Retain control** over your assets while you’re alive and well.
- **Provide for management** if you become incapacitated.
- **Direct how, when, and to whom** assets are distributed after your death.

It's called "revocable" because you can change it anytime during your life.

Example:

A client in New Braunfels put her home, investments, and rental properties into her trust. When she became ill, her successor trustee stepped in seamlessly to manage everything. There was no court proceeding, no frozen accounts, and no public record. When she passed away, the assets went directly to her children within weeks — not the 6–12 months that probate can take.

***Pour-Over Will***

Even with a trust, you still need a will — specifically, a **Pour-Over Will**. This document acts as a safety net, "pouring" any assets left outside your trust into it at your death. Without it, stray assets might have to go through probate separately, undermining the efficiency of your plan. I tell clients: "Think of the trust as your safe, and the pour-over will as the broom that sweeps in anything you left on the counter."

### ***Durable Power of Attorney***

A **Durable Power of Attorney** names someone to handle your financial and legal matters if you can't. Even though your trust covers assets inside it, you may have assets outside the trust — like retirement accounts — that require an agent to manage.

I've seen too many situations where someone became incapacitated, and their family couldn't access necessary funds because there was no power of attorney. Without it, the only option is going to court for a guardianship — an expensive, time-consuming, and stressful process.

### ***HIPAA Authorization***

Privacy laws protect your medical information — which is good, unless it keeps your loved ones from helping you. A **HIPAA Authorization** allows your chosen people to receive your medical information so they can make informed decisions if needed.

I once had a client whose daughter was a nurse. She knew something was wrong with her father's care plan but couldn't get details from the hospital because she wasn't listed in the HIPAA

release. We fixed that problem in his plan, and within days she was able to advocate effectively for him.

### ***Certification of Trust***

This is a shortened version of your trust that you can give to banks, title companies, and other institutions to prove the trust exists without disclosing all its details.

It's a bit like showing your driver's license instead of your entire driving record — enough to establish authority without revealing private terms.

### ***Transfer Documents (Real Estate, LLCs, Financial)***

A trust is only as good as the assets you put into it. That means preparing and recording:

- **Deeds** to transfer real estate into the trust.
- **Assignments** of LLC or partnership interests.
- **Change of ownership forms** for financial accounts.

Too many people create a trust but never fund it — which is like buying a safe and leaving your valuables on the kitchen counter.

**Example:**

One family spent thousands on a trust but never transferred their home into it. When the father died, the home still had to go through probate. If they had taken the final funding step, it could have been transferred in days.

### ***Why This Matters***

A trust-based plan isn't just a set of documents; it's an integrated system. Each part plays a role in keeping your affairs private, efficient, and under your control.

When it's all in place — the trust, pour-over will, powers of attorney, HIPAA release, certification of trust, and asset transfers — you have a plan that works for both the expected and the unexpected.

### ***Call to Action***

If you want to know whether a trust-based plan is right for you, let's schedule a consultation. We'll walk through your assets, your goals, and your family's needs to see if this level of planning makes sense for your situation.



## PART FIVE – KEEPING IT BULLETPROOF

### Chapter 13: Updating Your Plan the Right Way

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A trust-based plan isn't just a set of documents; it's an integrated system. Each part plays a role in keeping your affairs private, efficient, and under your control.

When it's all in place — the trust, pour-over will, powers of attorney, HIPAA release, certification of trust, and asset transfers — you have a plan that works for both the expected and the unexpected.

### ***Call to Action***

If you want to know whether a trust-based plan is right for you, read the trust section in The Three Bucket Method for Asset Protection and schedule a consultation. We'll walk through your assets, your goals, and your family's needs to see if this level of planning makes sense for your situation.



## Chapter 14: What If You Move Out of State?

In my years of practice, I've seen more Texans relocate than ever before — sometimes for work, sometimes for family, and sometimes just for a change in scenery. The move could be across the Red River into Oklahoma, across the country to North Carolina, or all the way to another continent.

Most people think of moving in terms of logistics: packing boxes, hiring movers, changing your mailing address, and maybe finding a new dentist. But what rarely makes the checklist — and should — is *reviewing your estate plan for your new location.*

Your estate plan doesn't expire the moment you leave Texas. But certain parts of it might not function exactly as you intended in your new home state. Without adjustments, your move could weaken or even compromise your carefully built protections.

## ***Trust Portability and Practical Issues***

The **good news** is that if you created a revocable living trust in Texas, it's almost always valid in any U.S. state. Trust law generally recognizes documents that were validly executed in another state. Your instructions, your successor trustees, your asset protections — those remain intact.

But “valid” doesn’t always mean “optimal.” Each state has its own rules for property titling, tax treatment, and creditor protections. Even small variations can matter. For example:

- **A home purchase in your new state** may require a different deed format to place the property in your trust.
- Some states **treat community property differently**, which can affect how assets pass between spouses.
- Certain **homestead exemptions** in Texas don’t exist elsewhere, and vice versa.

### **Example:**

A couple moved from Texas to Colorado. Their Texas trust still worked, but they bought a mountain cabin and titled it jointly — not in the trust. When one spouse passed, transferring the cabin

into the trust became more complicated, and the surviving spouse faced an avoidable probate process.

### ***State-Specific Directives***

Trusts may travel well, but your powers of attorney, advance healthcare directives, and even your pour-over will are often very state-specific.

If you show up at a hospital in a new state with Texas medical directive paperwork, you may find that the forms don't match the local statutory language. While most providers will still try to honor them, they may ask for additional verification or even a legal opinion — wasting precious time in an emergency.

#### **Real-world story:**

A San Antonio client moved to Florida and kept her Texas advance directive. When she needed emergency surgery, the hospital hesitated to rely on the Texas form. Her family had to scramble to complete Florida's paperwork in the waiting room before doctors could proceed. The delay was short, but in a different situation, it could have been dangerous.

## ***Dual-Document Strategy***

Sometimes the best solution is to maintain dual sets of documents — one for your Texas connections and one for your new state.

- **Texas versions** control your Texas assets, like a ranch or LLC.
- **New-state versions** control your healthcare, local accounts, and any real estate there.

This approach ensures that each jurisdiction gets a document written in its own “legal language.”

## ***Cross-reference***

In *A Texan’s Guide to the Probate Process*, I talk about how even county-to-county probate rules can differ. The same principle applies here — just on a larger scale. Local compliance matters.

## ***Other Moving-Related Planning Considerations***

Relocation can have ripple effects on your estate plan beyond legal paperwork:

- **Tax Planning** — State income, estate, and inheritance taxes vary widely. A move could increase or decrease your tax exposure.
- **Business Entities** — LLCs formed in Texas may need to register as “foreign entities” in your new state if you continue operations there.
- **Asset Protection** — Some states offer stronger protection for certain assets; others offer less. For example, Texas has strong homestead protections that some states lack entirely.
- **Retirement Accounts** — Laws on creditor access to IRAs, 401(k), and annuities differ by state.

Example:

One client moved from Texas to California. We had to evaluate whether keeping his Texas LLC was the best option, given California’s annual \$800 franchise tax and stricter filing requirements. The decision to form a new entity in California ended up saving him both taxes and administrative headaches.

*Action Steps for a Smooth Legal Move*

If you are planning to relocate or have just moved, here’s my recommended checklist:

1. **Within the first six months**, meet with an estate planning attorney licensed in your new state.
2. **Update** your healthcare and financial powers of attorney to local statutory forms.
3. **Review** your trust to ensure any new real estate is properly titled.
4. **Update** your pour-over will to meet your new state's execution rules.
5. **Reassess** tax implications and business registrations.
6. If you still own Texas property, **maintain** a Texas-compliant will or ancillary documents.

### *Why This Matters*

Relocating isn't just a change in scenery — it's a change in legal environment. A little proactive review can preserve everything you worked to build, protect your family from unnecessary stress, and keep your legacy intact across state lines.

***Call to Action***

If you've moved or are considering a move, let's schedule a Relocation Review to make sure your estate plan works wherever you land. And if you still own Texas property, we'll coordinate with both jurisdictions, so your assets are protected in every state that matters to you.



## PART SIX – YOU ARE READY!

### Chapter 15: Here's What to Do Next

By now, you've learned what probate really is, how to avoid it, how to protect your assets, and how to keep your plan updated no matter what life throws your way. You've heard the stories — some inspiring, some cautionary — and you've seen the steps that make the difference between a smooth legacy transfer and a family disaster.

Now the question is simple: what will you do next?

#### ***The Cost of Waiting***

If you've made it to this point, you already know the dangers of delay. In *A Texan's Guide to the Probate Process*, I describe how one family lost tens of thousands of dollars — and more importantly, years of peace — simply because they “meant to” start planning but never did.

The truth is that most people don't wait because they don't care. They wait because they're busy, uncertain, or a little uncomfortable thinking about their own mortality. That's human. But waiting carries a cost:

- **The law decides** for you if you become incapacitated or pass away without a plan.
- Your family could **face probate delays** of 12–18 months.
- Taxes, legal fees, and family disputes can **drain the wealth** you've built.

### ***Step 1: Book Your Consultation***

The first step is to take control — and that means booking a consultation with my office. Whether you live near our offices in New Braunfels or Laredo, or you're in another part of Texas, we can meet in person or via secure video conference.

During this meeting, we will:

1. **Review your current situation** — family, assets, business interests, and goals.
2. **Identify your risks** — probate exposure, asset vulnerability, and potential tax issues.

3. **Outline your options** — from trust-based planning to asset protection strategies.

You'll leave knowing exactly what it will take to make your legacy bulletproof.

***Step 2: Understand What Happens in the First Meeting***

Many people are nervous before that first appointment. Here's the reality: it's a conversation, not a test. You don't need to have every account statement printed or every family detail perfectly written down (though that helps).

We'll talk through:

- Who needs to be protected?
- What you own (your “buckets” from *The Three Bucket Method for Asset Protection*).
- What you want to happen when you're gone or unable to manage things yourself.

I'll answer questions in plain language — no legalese, no intimidation.

### ***Step 3: Get Your Free Copy of A Texan's Guide to the Probate Process***

Every client who books a planning consultation gets a free copy of my book, *A Texan's Guide to the Probate Process*. This guide walks you through what happens when there's no plan — and it reinforces why you're taking action now.

It's also a great resource to share with family members, so they understand why planning is so important.

### ***Step 4: Commit to Protecting Your Family***

This is the most important part: make the decision to move forward. Estate planning isn't about the documents — it's about peace of mind. Once your plan is in place, you can focus on living your life, knowing your family will be cared for and your wishes honored.

### ***Call to Action***

Don't leave this book on your shelf to gather dust. Don't put the decision off to another year. Call my office today or email us at [info@dickersonlaw.com](mailto:info@dickersonlaw.com). Take the first step toward making your legacy truly bulletproof.

## **Chapter 16: Let's Make Your Legacy Bulletproof – Together**

We've walked through the pitfalls of poor planning, the strategies that keep your assets safe, the legal tools that work in Texas (and beyond), and the real-life examples that show why action matters.

By now, you know that an estate plan isn't just a legal form — it's a commitment to your family, your values, and your life's work. It's the difference between leaving a legacy of clarity or a legacy of chaos.

I've seen both outcomes up close. I've sat across the table from families in the calm after a well-executed plan, where every wish was honored and every step was smooth. I've also been in the rooms where siblings argue over property, businesses stall in probate, and decades of hard work dissolve into legal battles. The

choice between those two paths is made before the crisis — and that choice is yours to make today.

### ***Your Next Step: Join Me Live***

The easiest way to take the next step is to join my “Bulletproof Your Legacy” seminar. In these sessions, I will:

- Walk you through the core strategies from this book in greater detail.
- Show updated case studies and examples since the time of writing.
- Answer live questions so you can see how these principles apply to your unique situation.

And because this is live, I’ll tailor the discussion to what participants ask — which means you get practical, specific guidance, not just general theory.

### ***Why a Seminar Instead of a Meeting First?***

A one-on-one meeting is the gold standard for personal planning, but I’ve found that clients who attend the seminar first come in far better prepared. They’ve seen examples, learned the

terminology, and have a clear sense of the decisions they'll need to make.

The seminar is also a safe space to learn without feeling “on the spot.” You can listen, take notes, and even invite your spouse, adult children, or business partner to join you from wherever they are.

### ***From Seminar to Action***

Once you attend, you’ll be able to:

- Identify the “holes” in your current planning (or lack of planning).
- Understand which of the tools we discussed — trusts, LLCs, and asset titling — fit your needs.
- Know the right questions to ask when we sit down together for your personal plan design.

#### **Example:**

A recent seminar attendee, a small business owner from Corpus Christi, realized during the Q&A that his business operating agreement conflicted with his will. He booked a consultation for the next week, and we resolved both the business and estate issues in

one coordinated plan — something that would have been impossible had he not learned to look for that problem.

### ***How to Register***

Go to [info@dickersonlaw.com](mailto:info@dickersonlaw.com) and ask us for our upcoming seminar dates. We run these once a month, so you can find a date that fits your schedule.

If you can't make a live event, register for webinar, at <https://dickersonwebinars.com> — you'll receive a link to watch, but remember that the live format allows for Q&A tailored to your situation.

### ***A Final Word on Legacy***

You've invested time in reading this book. You've learned the principles that make a difference. But knowledge without action is just potential. Action is what turns potential into protection.

The people who love you most deserve a future without legal battles, without confusion, and without the state making decisions for them. The power to give them that gift is in your hands right now.

### ***Final Call to Action***

Don't just close this book and "think about it." Open your calendar and take the next step — whether that's registering for the Bulletproof Your Legacy seminar, webinar or booking your consultation. Let's make your plan as strong, clear, and effective as it can be, so your legacy stands the test of time.



Other Titles available from the Author:

**Print and E-Book Versions**

***The Road Map to Rich: A Lawyers Perspective on Getting and Staying Rich***

***The Three Bucket Method for Asset Protection***

***El Método de Las 3 Cubetas Para Protección de Bienes***

***A Texan's Guide to The Probate Process***

***The Three Bucket Method for Asset Protection for The Trucking Industry***

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