



Dear Barbro!

with Barbro E. Stalbecker-Pountney
B.A., LLb., Barrister, Solicitor



I'm an only daughter with two brothers of a reasonably healthy widowed father in his late seventies. My dad is extremely frugal; he does not want to waste money on some "fancy" lawyer. He owns both a home, and a condo in Florida, (both mortgage free). In addition he has investments and ongoing income from pensions, etc. Last year he retired in Florida and plans to transfer the house to my younger brother and leave the remainder of his estate to me. My older brother is the beneficiary of his life insurance policy. In theory, we should all get approximately the same. I have a feeling it's not that simple. Any suggestions?

— Skeptical daughter.

Dear Skeptical daughter: It is unfortunate that your father has developed a negative view of what professionals can do for him. He risks so much by not obtaining proper advice before taking these major steps. It is unlikely the scheme suggested will result in what is intended: an even distribution between the three of you. Specific advice is not appropriate, without a proper consultation, but here are few of the problems that could arise with such a plan.

Your brother's benefit through insurance is probably stable. In the case of

your other brother, once the house is transferred to him, without more, it's his. It could be subject to seizure by creditors, and if he has marital problems, it could be subject to spousal interest. If there is a falling out with your father, he could prevent him from using what would now be your brother's property. Further, the value your brother gets is what it is worth at the time of transfer. That could create a windfall as property values increase, so that at your father's death, your brother has a greater share than was intended.

We do not know how long your father will live and what his needs may be along the way; he may end up with enormous medical and care expenses which could eat up his investments. He may have to sell the Florida condo. The estate will be responsible for payment of taxes, debts, as well as legal and estate administration fees. That could leave very little for you.

I suggest that you encourage your father to seek proper advice, both for the sake of equity between his children and the opportunity to save taxes and other fees for his estate. ■

Barbro E. Stalbecker-Pountney, BA LLb, practices law in Toronto. and can be reached at 416-323-6890.