



Leach&Walker
A PROFESSIONAL CORPORATION

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**Certified Specialists in
Estate Planning, Trust and
Probate Law by the State
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Dear Client:

Unless Congress acts to change the situation, the (perhaps) good news is that there is no estate tax or generation-skipping tax this year.

The bad news is that beginning in 2011, the estate and generation-skipping taxes will be reinstated, the exemptions will revert to \$1,000,000, and the top estate tax rate will rise to 55%.

For persons dying in 2010, while there is no estate tax, there is also a limited amount of step-up in basis for appreciated assets, which means that for some 2010 decedents, their beneficiaries will inherit a capital gains tax liability along with the assets distributed to them.

Many of our clients will not be affected by this uncertain status, but we feel obligated to alert you that the tax-free environment could cause ambiguity in the interpretation of some estate plans, particularly those that define distributions to beneficiaries in terms of tax categories.

If you would like to meet with us to review your estate plan in the context of a tax-free 2010 and a more onerous tax in 2011 and thereafter, please call for an appointment.

Very truly yours,

Donald F. Leach

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