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Plan Early, Plan Well™

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The State of Estate Planning: Selected Estate Planning Issues

By Doron M. Tisser

When you create a family trust for your family, there are many issues that need to be dealt with. Some of these issues deal with the specifics of how to set up the trust, such as who will be the trustees and beneficiaries, and how assets are to be distributed to the beneficiaries.

No matter how well your trust has been set up, there are matters that need to be taken care of with respect to the trust to make sure your estate plan works the way you want it to work.

This outline will discuss several matters relating to estate planning and your family trust which are very important, but often overlooked.

HERITAGE TRUSTS

How you leave assets to your beneficiaries in your family trust will have consequences to them and their children. For instance, if your son is not economically mature enough to receive the assets when you die, you may have them placed into a trust for him until he reaches certain ages. On the other hand, if you leave assets to your son without a trust at your death, he will have immediate use of those assets.

In deciding how to leave assets to your son, it is important to look at protection planning and multi-generational planning.

Protection Planning

Protection planning involves looking at how your son's direct receipt of assets will affect him. There are generally three protection planning areas to consider:

1. Your son's creditors,
2. Your son's marital situation, and
3. Estate taxes to your grandchildren when your son dies.

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Your Son's Creditors

Your son may be in a business subject to lawsuits. Maybe your son is a doctor or attorney, or owns a business in which he is worried about being sued. If you leave assets directly to your son, those assets he receives when you die (or at a later date if the assets are held in trust for him until he reaches specified ages) may be subject to his creditors. If he loses a lawsuit, those assets are as vulnerable to a creditor as assets he owned that were not inherited.

There may be asset protection planning steps your son can take to protect the inherited assets from creditors, but it would be easier for you to do asset protection planning for your son as part of your estate planning.

Your Son's Marriage

If your son is married, and your son inherits assets from you, those assets are his separate property. However, if any community property assets are commingled with the inherited assets, part or all of the inherited assets may become community property, which would mean that his spouse owns part of the assets inherited from you. This could result in your son's spouse receiving part of the inherited assets in a divorce.

Even if community property is not commingled with inherited assets, a divorce will not prevent your son's spouse from making a claim that part of the inherited assets are community property and that she is entitled to own some of those assets. Whether or not she is successful in the claim is not the issue. The fact a claim can be made, regardless of the outcome, results in more issues in the divorce.

Your son may not be married, but you might still want to protect his inherited assets from a future marriage. If you do this planning, your son would not need a premarital (prenuptial) agreement with his wife as to the inherited assets because the assets would be protected from a spouse's claim that she owns part of the assets.

The planning discussed below can help protect your son's inheritance from his wife.

Estate Taxes When Your Son Dies

For purposes of this discussion, we will assume (1) there can be estate taxes at your son's death when he leaves his assets (including the assets inherited from you) to his children, and (2) your son will leave his assets to his children. If he leaves the assets to his spouse, the same discussion would apply at the spouse's death when the assets are left to the children.

When your son dies, the value of his assets may be subject to estate taxes before the assets pass to his children. Whether or not there will be estate taxes depends on the value of his assets. If the value of the assets exceeds an exemption amount the government allows him to leave estate tax free, there will be an estate tax.

Let's assume the exemption amount is $3.5 Million (as it was in 2009). If your son's assets (which he accumulated during his lifetime) are worth $2.5 Million, there will be no estate taxes at his death. If, however, he had also inherited $1.5 Million in assets from you when you died, those assets would be included in the value of what he owns when he dies. In this case, the value of his assets would be $4 Million, which exceeds the $3.5 Million exemption amount and would create an estate tax for his children. That estate tax could be between $200,000 and $400,000.

You can leave your assets in trust for your son's use during his lifetime without having those inherited assets being included in his estate for tax purposes when he dies, up to an allowable amount established by the government, which is discussed below.

Heritage Trusts

A Heritage Trust is an alternative method for distributing assets to your son and is almost always better than giving the assets outright to him.

In a Heritage Trust, assets are placed in trust for your son during his lifetime. The trustee of the trust will decide how much of the trust to distribute to your son during his lifetime. Any assets remaining in the trust at your son's death will then continue to be held in trust for his children, or any other persons your son designates.

Your son can be his own trustee in control of all trust matters, including how to invest the trust's assets, with one exception. Your son will not be able to decide to make distributions to himself; instead, there will be a named Distribution Trustee who will decide whether to make distributions to your son. If your son wants to have money distributed to him, he will need to ask the Distribution Trustee to approve the distribution. If the Distribution Trustee approves the distribution, your son, as trustee, can then make the distribution to himself. If the Distribution Trustee does not approve the distribution, your son will have the authority under the trust to remove the person serving as Distribution Trustee and replace him with someone who is not related to your son, such as a friend. Your son will then be able to ask the new Distribution Trustee to approve the distribution.

There are three primary benefits of establishing a Heritage Trust for your son.

1. The assets in the Heritage Trust should be protected from your son's creditors.

2. In the case of a divorce, your son's spouse should not be able to claim any ownership in the trust.

The reason that creditors and a spouse should not be able to attack the assets in the trust is because your son does not own the assets; rather, he is the trustee of the trust which owns the assets, and he does not control distributions to himself.

3. The value of the assets in the Heritage Trust up to the amount the government allows to be left free of generation-skipping transfer tax (GSTT) will be able to pass tax free at your son's death to his children and to his grandchildren. A GSTT will apply, in general, when you leave assets to your son in trust and at your son's death, those assets go to your grandchildren or grandchildren without being subject to estate taxes at your son's death.

We have represented four generations of one family. The first generation was the great-grandmother, who was 95 years old. The second generation was the daughter, who was 63 years old. The third generation was the grandson who was 39 years old, and the fourth generation was great-grandchildren in their teens.

The estate planning we do for each generation impacts the next generations. For example, if the great-grandmother was going to leave her daughter $500,000, the value of that amount (plus any increase in value during the daughter's life) would be subject to estate taxes when the daughter dies. If the value of the inherited assets grew to be $1 Million, and the daughter's estate tax rate was 45%, $450,000 would go to estate taxes and the grandson would inherit the remaining $550,000. The same result would repeat itself when the son dies and the assets go to his children.

We had the great-grandmother create a Heritage Trust for her daughter. We had the daughter create a Heritage Trust for her son, and we had the son create Heritage Trusts for his children. In this way, all of the assets inherited from the prior generation would bypass estate and GSTT and would continue to be held in trust for each succeeding generation. The estate taxes saved, based on the above example, would be $450,000 when the great-grandmother dies. If you add to that amount the estate taxes that will be saved when the son dies and his mother's (i.e., the daughter's) assets are not taxed at the son's death, the savings can be tremendous.

In addition to the estate and GSTT tax savings the family would receive, each of the beneficiaries of the various Heritage Trusts should be protected from their creditors and spouses.

Heritage Trusts do not have to be used only at your death. They can also be set up to hold assets gifted to family members during your lifetime.

If you couple the use of a Heritage Trust with life insurance and assets that are expected to grow a lot in value, the tax savings can be enormous.

The above will explain why many people describe the use of Heritage Trusts as one of the best estate planning tools available.

REVIEWING YOUR ESTATE PLAN

If you have taken the time to create a family trust or other estate planning documents, you should not assume those documents will reflect your wishes when you die.

Estate planning documents are only as accurate as your wishes at any given point in time. They may have accurately reflected what you wanted to have happen when you signed them, but circumstances will likely cause you to want to make changes to your documents. There will be more changes made to your estate plan because of your family and circumstances than because of changes in the law.

It is as important to periodically review your estate plan as it is to take the necessary steps to create the plan.

The big question then becomes "how often should I review my estate plan?" This depends on your personal situation. For instance, maybe the person you named to act as trustee of your trust after you die is now going through bankruptcy, and should no longer be your trustee. Maybe the person you named as guardian to raise your children is embroiled in a bitter divorce, and is not in a position to act as guardian.

Unless you take the necessary steps to review, and amend, when necessary, your estate plan, unintended results may occur. For example, you may have created your family trust when your children were 14 and 16, and provided for the assets to be held in trust for them until age 25. If they are now 26 and 28, they will receive the assets outright when you die. But if they are not mature enough to handle the assets, you might want to change the documents so they receive the assets at later dates.

If a child is in the middle of a lawsuit against him and you die, his inheritance from you may be lost to the creditor. On the other hand, you could create a Heritage Trust for your son to protect the inherited assets from his creditor. This is not something you would think of calling your attorney about, but the issue would probably be raised in a review of your estate plan.

In addition to reviewing the specifics of your estate plan, a review allows you to confirm your assets are titled in the name of your family trust, as well as to confirm the beneficiary designations you have made for your life insurance, IRAs, 401(k) plans and similar assets. The failure to have assets titled in your family trust may create an unnecessary probate when you die.

My recommendation is you review your estate plan once a year. It does not have to be an extensive review, but it should cover the various matters in your estate plan that might require changes.

We have created the Protective Estate Plan Review ("PEPR") for our clients. If you are a PEPR member, we will meet with you once a year to review your estate plan and make sure your assets are titled in the name of your family trust. In addition, we will notify you if the law changes and you have to change the provisions of your family trust, and you will receive a discount on changes you make to your estate planning documents. PEPR allows you to make sure that your estate planning wishes will be carried out.

Below is a list of factors that may require changes to your estate plan. We strongly recommend you meet with an estate planning attorney periodically to see what changes you want to have made to your estate planning documents.

FACTORS WHICH MAY REQUIRE AMENDING AN ESTATE PLAN

If any of the following events occur, you should review the potential effects on your estate plan. This list is not comprehensive; other events will also prompt a review of the estate plan.

FAMILY SITUATION

1. Marriage, separation or divorce

2. Death of a spouse

3. Changes affecting children, grandchildren
   (a) Birth, adoption, or death
   (b) Marriage or divorce
   (c) Illness
   (d) Change in economic situation
   (e) Change in attitude towards the client by family members
   (f) Change in financial responsibility

4. Protect children's inheritance from creditors, spouses and future estate taxes

CHANGES IN YOUR ECONOMIC AND HEALTH SITUATION

1. Increase or decrease in personal wealth

2. Significant changes in health

3. Significant changes in employment or business interest

4. Receipt of a large gift or inheritance

5. Property acquired outside California

6. Acquisition of assets which should be placed in a Living Trust to avoid probate

MISCELLANEOUS EVENTS

1. Trustees or Executors
   (a) A need to name new persons as a result of the death of, or change in feelings about, someone previously named to handle finances

2. Guardians for your minor children
   (a) A need to name new persons as a result of the death of, or change in feelings about, someone previously named to raise children

3. Durable Power of Attorney for Health Care
   (a) Executing a new Power or changing those persons named to make medical decisions

4. Desire to do additional tax planning

5. Need for additional life insurance for estate tax liquidity

6. Need for long-term care insurance

FUNDING YOUR FAMILY TRUST

While your family trust is intended to avoid probate, it only avoids probate on assets that are in the name of your family trust at the time you die.

When you created your family trust, you should have also created a pour-over Will which leaves all your assets that are not in the name of your family trust at the time of your death to your family trust when you die. So doesn't the Will avoid probate? No, the fact that these assets are transferred by way of your Will requires that they first go through probate before becoming part of your family trust.

What if you and your spouse own an account or real estate in joint tenancy with each other; won't this avoid probate? The answer is yes, but it will probably not have the results you want. While the account will go to your spouse without probate, it will not be able to be placed into the trust that will pass estate tax free to your children after both of you have died because joint tenancy results in your spouse owning the asset, not the family trust owning the asset.

Transferring (funding) assets into your family trust when you first create the trust is the first step in making sure probate is avoided when you die. But that is not enough. You have to continue to monitor title to your assets to make sure they remain in the name of the family trust.

Some of the reasons assets might not be in the name of the family trust when you die are:

1. You buy a new piece of real estate and it is not put in the name of the family trust when you buy it.

2. You took your house out of the name of the family trust to refinance the house, and title was not transferred back into the trust.

3. You open up a new CD, bank account or brokerage account (other than an IRA or retirement account) and you do not open the account in the name of the family trust.

4. You transfer an account to another institution and the account is not opened in the name of the family trust.

5. You and someone else own some real estate together and you buy out their interest in the real estate and do not put the new interest into your family trust.

6. You start a new business and fail to take title in the name of the trust.

Sometimes this is done because the business has no value and you do not think putting it in the trust matters at that time. However, as the business grows in value, you may not remember to put it into the name of the trust, so taking title to the trust when you start the business is the best thing to do. This is especially true if the attorney setting up the business is not your estate planning attorney.

7. You loan money to someone and the promissory note they sign showing they owe money is made out to your name, not the name of your family trust. If they give you a deed of trust on a piece of real estate to secure the payment of the promissory note, the deed of trust should also be made in the name of your family trust.

In order to make sure your assets are in the name of your family trust, title to those assets should be reviewed periodically. This is usually done when you review the provisions of your estate plan. As discussed below, we recommend you review your estate plan once a year, which would also allow you to review title to assets at the same time.

BENEFICIARY DESIGNATION ASSETS

There are some assets that cannot or should not be transferred into the name of your family trust, and some assets for which the family trust should not be named as beneficiary. I call these types of assets "beneficiary designation assets" ("BDAs"). Examples of BDAs include life insurance, IRAs, retirement plans (such as 401(k) plans, profit-sharing plans, and 403(b) plans), and annuities.

One of the most important, yet most often ignored issues in estate planning, is the designation of beneficiaries for BDAs. I run across this issue time and time again, even though it is an issue that can be avoided by a periodic review of your estate plan and the beneficiaries of such assets.

BDAs pass to the persons designated as beneficiaries of these plans, as registered with the insurance company or the plan administrator; whoever you have named as the beneficiary of a BDA will receive the asset when you die.

The issue is whether the naming of the beneficiaries for BDAs is consistent with your family trust. If it is not, then all the planning you did for your family trust may not have the effect you want it to.

It is important to note that BDAs that pass to named beneficiaries do not go through probate. In addition, beneficiary designations take priority over the provisions of your family trust; therefore, it does not matter (as to BDAs) what your family trust specifies in terms of who receives assets from your trust when you die and at what ages they are to inherit. This can cause a major dilemma with your estate plan, as discussed below.

The important issue is who should be the beneficiary of BDAs.

Children as Beneficiaries

You will probably have spent a fair amount of time deciding who the beneficiaries of your estate should be. If you have children and grandchildren, you may have decided how to divide the assets among them.

If you feel a beneficiary is not quite ready to handle ownership of money or other assets (either because he or she is too young or not economically responsible), you will have put time into deciding who should be the trustee of the trust for that beneficiary and at what ages the beneficiary should receive the assets.

For example, you may decide to have the assets placed in a trust for the beneficiary after you die. You might have decided to have all distributions to the beneficiary be made in the discretion of the trustee until the beneficiary reaches age 21 and then have the income of that trust be distributed annually to the beneficiary after age 21. You might also have decided to have the principal of the trust (i.e., the assets other than the income generated annually) be distributed to the beneficiary in thirds, at ages 30, 35 and 40. This allows the beneficiary to receive 1/3 of the assets at age 30. If the beneficiary wastes the assets, he or she will receive two more chances by receiving the remainder of the assets at ages 35 and 40. The goal is to not give the beneficiary too much too soon, and allow him or her to learn from his or her mistakes.

The type of distribution plan discussed above has advantages and protects the beneficiary from himself or herself. However, the benefits of this type of planning can be ruined by way of BDAs.

Assume that your son is 21 years old and your family trust states that the trust assets are to be held in trust for your child and distributed to him at ages 30, 35 and 40. Your family trust has assets in it worth $1 Million. Also assume that you have named your son the beneficiary of your life insurance and IRA, which have a total value of $600,000.

It is obvious it is your intent that your son not receive his inheritance when you die if he has not reached the ages specified in your family trust. However, because of the way the beneficiary designations for your life insurance and your IRA have been set up, your son will receive the $600,000 from those assets right away when you die. Only the assets in the family trust will be held in trust for your son. Therefore, your son will have the opportunity to do whatever he wants with the money from the life insurance and IRA at age 21.

Even worse is if your son is under the age of 18 when you die. If, for example, your son is 15 years of age at your death, the monies will not be distributed to him at your death. Instead, because he is a minor, the monies will be held in a court supervised blocked account until he turns 18, at which time the court will say "Happy Birthday" and turn over those monies to him. Again, remember that the provisions of your trust are irrelevant as to the life insurance proceeds and the money in the IRA because you have named your son as the beneficiary of those assets.

<u>Who Should You Name as Beneficiary of your Beneficiary Designation Assets</u>?

The beneficiaries of your BDAs need to be thought through carefully. They are not necessarily the same as the people you name as beneficiaries of your family trust.

Individual beneficiaries of IRAs will need to take the money out of the IRA at times specified by Federal tax regulations. The regulations might allow the beneficiary to take the money out over his or her lifetime, or they might require the money be taken out over a shorter period of time. Regardless of which set of regulations apply, the beneficiary will have to pay income taxes as the money is taken out of the IRA.

If you want to leave money to charity at your death, it is sometimes more advantageous to name the charity as beneficiary of your IRA, than to name it as a beneficiary of your family trust. If the charity receives money from your IRA, it will not have to pay income tax on the money (because it is a tax exempt organization). Therefore, it may be more tax advantageous to leave income taxable assets to a charity, and non-income taxable assets to individuals.

The same analysis would apply to an IRA if your estate is subject to an estate tax when you die. If your IRA names an individual as beneficiary, there will be an estate tax on the money in the IRA, while if you name a charity as beneficiary, there will no estate tax on the IRA money left to the charity.

Life insurance is not subject to the same income tax on individuals as IRA money; life insurance proceeds are, generally, income tax free. However, as with an IRA, the life insurance proceeds left to an individual may be subject to estate taxes, while the same proceeds left to an IRA will not be subject to estate taxes.

Generally, you want to have your family trust be the beneficiary of the life insurance on your life. This allows the life insurance proceeds to be placed into the trust and then be distributed to the beneficiaries of your trust as you have designated in the trust.

You should therefore carefully decide who you name as beneficiary of your BDAs and not assume they should be the same as the beneficiaries named in your family trust.

LIFE INSURANCE

Too often, clients ignore the need for life insurance because of its expense. While it is true life insurance is not inexpensive and you may feel you cannot afford it, you probably cannot afford not to have life insurance.

Too many well-planned estates are not able to be completed properly because the funds necessary to do so were not available at a client's death; yet, if life insurance had been purchased, the client's wishes could have been carried out.

Life insurance has historically been used for three primary purposes.

1. Create an estate by giving family members more money to live on after a family member dies.

2. Create a method of funding a buy-sell agreement for a business or other assets co-owned with someone else.

3. Create liquidity to enable your family to pay estate taxes owed when you die.

If any of the above may apply to you, you should seriously consider the purchase of life insurance to carry out your wishes.

Creating an Estate

If you are fortunate enough to have accumulated sufficient wealth that your family does not need additional money to live on when you die, you probably do not need life insurance for this purpose.

Most families, however, do not have enough money saved to live on in the manner they would like to live if the main breadwinner dies. It is these families that need to look at acquiring additional life insurance.

How much life insurance you should buy for your family depends on many factors, such as how much they need to live on, how much debt you want them to pay off (such as your home mortgage), what their future expenses will be (such as children's college education), and how much life insurance you can afford.

Nobody buys as much life insurance as they need. They buy as much as they feel they can afford. The objective is to not be short-sighted in terms of how much you can afford. In many cases, your family cannot afford not to have you buy the right amount of life insurance.

If you die and your family needs $100,000 per year to live on, and has no other source of income, how much life insurance you buy will depend on how your family will use the insurance proceeds. If you buy $1 Million of life insurance, your family will need to withdraw $100,000 of the money each year for living expenses. Even if the money earns some interest, it will probably last your family only 10½ years before they have no money left.

If your family wants to invest the insurance proceeds and live off the interest only, you need to make sure there is sufficient principal to generate the income for them to live off (including paying income taxes on the money earned). For example, the proceeds of a $1 Million life insurance invested at 4% will earn $40,000 per year. Assuming that the income is subject to income tax at a 25% tax rate will net your wife $30,000 per year to live on, which equates to $2,500 per month. This is probably not enough to support your family.

The above paragraph shows how you need to be careful when looking at the correlation between the amount of life insurance you buy and what it will net your family after your death, taking into account income taxes.

Life Insurance to Fund a Buy-Sell Agreement

If you own a business with one or more persons, the issue arises as to how to ensure the continuity of the business if one of you dies or becomes disabled.

If you die, for example, your wife and family probably do not want to be owners in the business because they are unlikely to be able to generate money from the business since they will not be working in the business. At the same time, your co-owner probably does not want to be a co-owner with your family. Your co-owner likely wants to own the entire business and be able to operate it as he sees fit. You and your co-owner had a working relationship together while you were alive, and it is unlikely that this relationship can be continued with your family.

You and your co-owner can enter into a buy-sell agreement which provides that if one of you dies, the other will buy out your family, so that the surviving owner will own the entire business and your family will have the proceeds of the sale of their interest in the business go to your co-owner.

But how can your co-owner pay for the interest in the business? If your co-owner gives your family a promissory note, then there are issues of a security interest in the business in case of a default under the note. In addition, this new debt will not look good to the bank that may have loaned money to the business, or issued a line of credit. If your estate owes estate tax at your death, then receiving a promissory note will not create the liquidity needed to pay the estate taxes.

In most situations in which a buy-sell agreement has been created, the obligation to buy out a deceased owner's family is funded with life insurance. Each of the owners will buy a life insurance policy on the other owner for an amount sufficient to pay for the value of the interest to be purchased at an owner's death. At death, the surviving owner will collect the life insurance proceeds and will use them to buy out the business interest from the family of the deceased owner. This gives the surviving owner complete ownership of the business, while giving the family the life insurance proceeds to use as they need to.

The most common errors relating to buy-sell agreements are:

1. Failure to review the agreement periodically to make sure it still reflects the wishes of the owners.

2. Failure to review the agreement to confirm that it reflects the current value of the business.

3. Failure to review the life insurance policies to make sure they will continue to serve the purpose of being available at death to fund the buy-out obligation. For instance, if a policy is a 10 year term policy and this is the 9th year of the policy, it will not be available after next year to fund the buy-out. It may be necessary to look at getting a new term policy today to continue to fund the obligation to purchase a deceased owner's interest in the business.

The same discussion can apply to co-ownership of real estate.

<u>Life Insurance to Pay Estate Taxes</u>

If there will be estate taxes at your death, there are three methods of securing the money needed to pay the taxes:

1. Have sufficient cash, as well as assets that can be immediately liquidated to pay the estate taxes. If your estate is in a 45% estate tax bracket, as a general rule you would need to have 45% of your assets in cash or stocks and bonds that can be sold within nine moths of your death in order to pay the estate taxes. It is very unusual for this to be the case.

2. Sell assets within nine months of your death so the estate taxes can be paid nine months after you die. If the major asset in your estate is your business, it is unlikely it can be sold within nine months without it being a fire sale.

3. Have life insurance.

If there are insufficient assets available to pay the estate taxes, a forced sale of assets can result in all your estate planning not being implemented because the assets you expected to leave to your children might have to be sold.

If your estate consists of a business your children want to inherit, it is likely the business is one of the larger assets in your estate and would need to be sold to pay the estate taxes. A lender probably will not want to lend against business assets to pay estate taxes. If you own real estate, your family might be able to borrow against the real estate, but how will that affect the cash flow?

If there will be estate taxes when you die, look at the possibility of using life insurance to help pay the taxes and carry out your wishes.

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Doron M. Tisser has been engaged in private law practice in California since 1982 in estate and gift planning, tax planning, trust administration and probate, charitable giving, buy-sell agreements and related areas. He received his B.A. degree from UCLA, graduated cum laude from Southwestern University School of Law (2^{nd} in his class) and received his Masters Degree in Taxation (LL.M.) from New York University School of Law.

Mr. Tisser has been designated as a Certified Specialist in Probate, Estate Planning and Trust Law, and as a Certified Specialist in Taxation Law by the State Bar of California Board of Legal Specialization. He is one of less than 100 attorneys in California (out of approximately 160,000) who have earned both these Board Certifications.

In addition to being chosen by his peers as a Super Lawyer for 2009 and 2010 for Southern California, Mr. Tisser has been awarded an "A.V." rating by his peers for the Martindale-Hubbell Law Directory, which is the highest possible rating and is based on ethical considerations and legal skills.

Mr. Tisser has published over 65 articles and chapters in books on various estate and tax planning subjects, including articles on estate tax planning and chapters in books on Corporate Buy-Sell Agreements and Partnership Buy-Sell Agreements. In addition to publishing, Mr. Tisser is a frequent speaker and lecturer at estate and tax planning seminars, including those presented by the California State Bar, California Continuing Education of the Bar, and various other professional organizations., He has taught at UCLA, USC and California Lutheran University.

Mr. Tisser co-founded Team Tisser Foundation, which raises money for various charitable organizations, including those searching for cures for cancer. Money is raised by Mr. Tisser's participation in various athletic events such as triathlons and marathons. On June 24, 2007, Mr. Tisser completed his second Ironman Coeur d'Alene race, a triathlon consisting of a 2.4 mile swim, 112 mile bike ride and 26.2 mile run. At the race, Mr. Tisser was given an award by Janus Charity Challenge for being the third highest fund-raiser at the race by raising over $41,000 for charities. In addition, he bettered his previous best time in the race by almost two hours.

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