

NORTHWEST TRUSTEE & MANAGEMENT *Services*

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A WORD ABOUT TRUSTEE FEES— REDUCING FEES PART II

In our last newsletter, we examined the three components of our fee structure. In this article, we will address how to reduce trustee fees.

Reducing trust fees is a goal shared by both the trustee and the beneficiary. Since the main variable in our fee structure is the hourly component, the trust beneficiary and family can follow several guidelines that will reduce trustee fees.

COMMUNICATE WITH THE TRUSTEE – Hourly fees are needlessly increased when the trustee is not informed about problems or situations that could impact trust administration.

RESPECT THE TERMS OF THE TRUST – The trustee is bound by the trust document and cannot arbitrarily change the terms. Requests from beneficiaries for distributions that are not in accordance with the document are time consuming and escalate fees.



LIMIT REQUESTS – The trustee is always available to discuss legitimate trust issues. However, planning

to save trust fees by handling trust issues themselves, it often proves to be costly. It is difficult and time



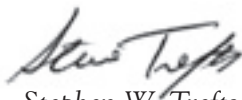
Northwest Trustee & Management Services staff (from left to right): Sandy Calbreath, Theresa Conroy, Tami Davis, Carol Trefts, Stephen Trefts, Sharon Franey, Maureen Richard and Lavonda Ataide.

communications and limiting telephone calls can reduce fees. When asking for trust funds, be concise and have additional documentation available. If possible, make the request in writing. These measures can reduce the amount of time it takes to properly handle the issue or make disbursements.

ALLOW THE TRUSTEE TO DO THE JOB – The old adage “too many cooks spoil the broth” is applicable here. When clients naively attempt

consuming for the trustee to remedy problems such as contrary instructions to investment advisors or property managers.

In summary, reducing hourly fees is a joint effort. By following these simple guidelines, the beneficiary can keep trust fees to a minimum.


Stephen W. Trefts
President

GETTING A GOOD NIGHT'S SLEEP—

HOW A TRUST TAKES THE WORRY
OUT OF RETIREMENT YEARS . . .

Concerned that they might someday become unable to manage their estate, Tom and Lenore Armstrong of Wenatchee established a trust to protect their assets. Regarding their planning, Lenore stated pragmatically, "If you don't admit what is, you are foolish. As you get older, you are not as quick as you used to be." Tom added that he wanted to be sure they couldn't be "conned out of their assets" in their later years.



Tom and Lenore Armstrong

Their good planning paid off sooner than anticipated. In October of 1999, we received a phone call from their attorney asking if we would become their new trustee in order to assist them. The Armstrongs had sold a gas station and commercial rental properties to an individual who was on the verge of bankruptcy. Through a complicated financial transaction, they were also in danger of losing a vacation condo on beautiful Lake Chelan to the same person.

These problems, along with the management of the rest of their estate, left them deeply worried when they

should have been enjoying the fruits of a lifetime of labor. Their attorney recognized the complex and difficult legal battles that faced them and recommended that they name us as trustee to handle it for them. Tom agreed with his attorney's recommendation, saying he wanted to "hire it done" so he and Lenore could enjoy retirement and travel.

Northwest Trustee & Management Services successfully resolved their complicated real estate and business situations. Along with legal agreements regarding bankruptcy and debt settlement, the trustee negotiated the resale of the real property. The latter involved factors such as the declining apple-based economy of Wenatchee and gas station competition, as well as condominium repairs and dealing with a condominium association on shoddy roof repairs. We also hired an investment advisor for the trust, created investment objectives to meet their financial requirements and made the appropriate investments.

After the dust settled, the Armstrong's estate was preserved and they were able to enjoy a cruise. Perhaps the best measure of their satisfaction is Lenore's final observation: "Tom doesn't lay awake at night worrying anymore."

Sandy Calbreath
Trust Officer

— IN MEMORIAM —

Donna Cox, Trust Administrator from 1995 to 2000, passed away in July of this year. Her former colleagues remember her as a woman of dignity who possessed a passionate concern for the elderly. Her quick wit and gentle manner will be missed.



THERESA CONROY PROMOTED—

Theresa Conroy was recently promoted to Trust Assistant. Initially hired as a part-time accounting assistant while a student of finance at Eastern Washington University, Theresa joined the staff full-time upon completion of her degree last winter. Theresa's financial training, excellent work ethic and pleasant personality make her well suited for her new position. She looks forward to her increased responsibilities, particularly the opportunity to interact with clients.

An avid hiker and camper, Theresa says she never passes up an opportunity for adventure around Spokane, and she has beautiful nature photographs to prove it. The Spokane native also enjoys spending time with her extended family and friends.



7307 N. Division, Suite 303
P.O. Box 18969
Spokane, WA 99228-0969
Phone: (509) 466-3024
Fax: (509) 468-2577
Email: trustmgmt@nwtrustee.com
www.nwtrustee.com