

BOWLEY LEGAL NEWSLETTER

Number 46

January 2012

The Pony Express– Launched April 3, 1860, the Pony Express was a brilliant business model with innovative systems, creative technologies, energy and courage. An instant success, it was still a bad idea from the start.

On October 24, 1861 the first transcontinental telegraph was completed. Eighteen months after its inauguration, the Pony Express was out of business. The lesson is obvious and every bit as relevant in 2012.

It is well that war is so terrible - otherwise we would grow too fond of it. **Robert E. Lee**

Boomers, Marriages and Contracts– Boomers are walking down the aisle in record numbers. After a divorce or the death of a spouse, followed by painful loneliness, many discover love again.

More often than not, these unions are happy ones, but they typically bring a complicating dynamic unknown to younger couples. Each partner usually comes to the union with adult children and significant net worth. Money and relatives– a combination sure to lead to legal troubles. Let's look at a simplified example.

Margaret is 68, divorced with three children. She owns her home, has \$400,000.00 of investments, and a good pension. Her net worth is just shy of \$700,000.00. Harry, 71 is widowed with two sons and owns a very successful construction business. His investments exceed \$1,600,000.00, and his net worth is about \$5,000,000.00.

Moving into Harry's \$900,000.00 home to live happily ever afterward, they name each other as beneficiary of their investments, and operate a joint bank account. Three years later, Harry has a fatal heart attack.

Each has a will naming their own respective children exclusively. But it's not as simple as that. Margaret, as named beneficiary, gets Harry's investments and the joint bank accounts. The home has increased in value by \$85,000.00 and the business has increased by \$500,000.00. The legal result is that Margaret is now worth about two million dollars more than she was three years ago.

A year later, Margaret dies. Her \$2,700,000.00 net worth is divided equally amongst her three children. If she had not married Harry, it would have been \$700,000.00 they were dividing. Harry's kids are the ones who pay the price, and they may not be happy.

Of course, in real life it's more complicated than this, but we can see the unfairness that can result if a mature couple enters into marriage without some legal precautions.

Experienced and thoughtful legal counsel, if consulted before the marriage, will lay out the legal implications in clear and understandable terms but without any sense of confrontation. They will help the parties find the right balance between "in sickness and in health, till death do us part" and the reasonable expectations of adult children and draft a marriage contract to find just the right balance.

Children are like trees: they grow stronger with firm roots. **Lord Denning, *In Re Weston's Settlements***

Collaborative Law– Litigation is an essential part of the lawyer's toolkit. Sometimes you just need to pick up the sword and wade into battle. But more often than not, there are alternatives, including arbitration and mediation.

Amongst matrimonial lawyers over the last dozen years or so, a new discipline has developed– collaborative law. In this model, legal counsel play a different role. With the consent of the parties, the lawyers expertly guide them toward a solution that creates the least damage to children and finds the least damaging economic outcome. Usually financial and children's experts are involved. Because they understand the Armageddon which will erupt if anger and hurt are allowed to rage out of control, the lawyers and their colleagues strictly manage the process so as to leave the parties and their children as whole as possible.

Very recently, a few estates lawyers have recognized that this skill set has a place in contested estate situations and have undertaken the necessary training. To date only two or three lawyers, including the writer, have been enrolled on the collaborative panel, but we expect to see the trend grow. Stay tuned!

Legal Comics– Not for everyone’s taste, but <http://www.lawcomix.com/> are good for a laugh, especially for the cynical.

RRSP’s and Prohibited Investments– Scary, scary! If your RRSP or RRIF portfolio contains shares of any corporation, private or public, of which you or a non-arm’s-length person (directly or indirectly) hold 10% or more of the shares of any class, you are exposed to a penalty tax which can be 50% of the value of the off-side shares or 100% of the income or capital gain. This situation generally arises where owners of small corporations hold company shares in their RRSP/RRIF, but the net can spread beyond that.

Understandably, this will apply only to a few readers. But the moral of the story is that if you hold any corporate shares in your portfolio, and you suspect that such holdings are anywhere near 10% of any one corporation, you need to analyze it further to ensure you don’t encounter one (or both) of these taxes. Do the analysis again with respect to the holdings of non-arm’s length persons (eg. spouse, children, family trust, etc.) so that neither of you get sideswiped by the tax.

Save the Date! We are proud to have been involved in bringing the Leadercast to Ottawa in 2011, and look forward to another great event on May 4, 2012 at the RA Centre. For a great day of inspiration, thought-provoking challenge and networking, be sure to grab your ticket before they are sold out. For details see <http://leadercastottawa.blogspot.com/>.

Accessibility for Ontarians with Disabilities Act, 2005– Effective January 1, 2012 all businesses in Ontario, unless they are federally regulated, must comply with the Act or face fines and penalties up to \$100,000.00. In addition to the obvious requirement of providing access to persons and their service animals, businesses are required to establish policies, provide staff training, establish feedback mechanisms and (if the organization has 20 or more employees) document all of the foregoing. For further explanation, see <http://www.mcss.gov.on.ca/en/mcss>.

If you steal from one author, it's plagiarism; if you steal from many, it's research. **Wilson Mizner**

William Penn was a man of rare courage, piety and wisdom. His lessons are even more important for our age than for his.

A good End cannot sanctify evil Means; nor must we ever do Evil, that Good may come of it.

The jealous are troublesome to others, but a torment to themselves.

Avoid popularity; it has many snares, and no real benefit.

Force may make hypocrites, but it can never make converts.

It would be far better to be of no church than to be bitter of any.

Let the people think they govern and they will be governed.

Truth often suffers more by the heat of its defenders, than from the arguments of its opposers.

O Lord, help me not to despise or oppose what I do not understand.

Right is right, even if everyone is against it, and wrong is wrong, even if everyone is for it.

The tallest Trees are most in the Power of the Winds, and Ambitious Men of the Blasts of Fortune.

True godliness does not turn men out of the world, but enables them to live better in it and excites their endeavors to mend it.

True silence is the rest of the mind, and is to the spirit what sleep is to the body, nourishment and refreshment.

Renter’s Insurance– It is horrifying how many tenants do not carry insurance. Many seem to think that they can shelter under the landlord’s policy. Unfortunately, unless they obtain their own policy, they will have no coverage for loss of personal property because of theft, fire or other causes. As well, if there is a slip and fall or other injury to a tenant’s guest, the landlord’s policy might respond if the landlord gets sued, but the tenant is left to hold the bag on his own.

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