

## My Personal Journey through LegalZoom.com

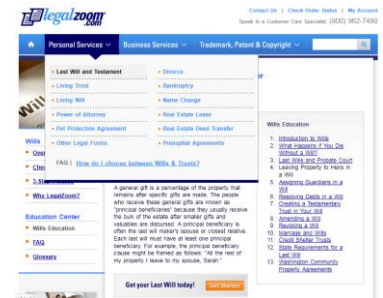
### Overview

Everyone has seen the television ads from LegalZoom.com featuring lawyer Robert Shapiro, encouraging you to “put the law on your side.” Legal self-help has been the subject of millions of dollars in advertising money and a number of class action law suits, most notably in California (2010) over a flawed trust that could not be funded (see "*Online Legal Documents Company Sued Over Flawed Estate Plan*," [www.elderlawanswers.com/resources/article.asp?id=8355&section=4](http://www.elderlawanswers.com/resources/article.asp?id=8355&section=4)) and in Missouri in 2009 (see *Todd Janson vs. LegalZoom.com, Inc* -- [http://ipwatchdog.com/cases/janson\\_v\\_legalzoom\\_complaint.html](http://ipwatchdog.com/cases/janson_v_legalzoom_complaint.html)) based on a UAL claim. While the jury is still out on whether LegalZoom has been involved in the unauthorized practice of law and many remain dismissive of these self-help sites, anyone who has read Richard Susskind’s “The End of Lawyers?” understands the need to pay attention to this trend. The great recession cut deeply into law firm revenues. Clients price-shopped, postponed discretionary planning and sought out lower cost on-line solutions. Some firms closed their doors forever. The recession may be technically over, but there is no putting the genie back in the bottle. The internet has forever changed the way we work and play and it continues to fuel the do-it-yourself-crowd with more information and resources available than ever before. Welcome to the “new normal.”

I have been involved in the technology business and specifically document assembly since the mid 1990s. It has been interesting being an active participant in the development of Wealth Transfer Planning™ (a product of InterActive Legal). I was innately curious about LegalZoom and other self-help sites so I decided to try it. As a non-lawyer who has been exposed to estate planning for many years, I smugly considered myself ahead of the knowledge curve in this area. This article documents my personal journey as a legalzoom.com customer interested in protecting my family and assets.

### The LegalZoom Promises

- "Each LegalZoom Last Will package is backed by our 100% satisfaction guarantee and comes with lifetime customer support."
- "Our documents have been accepted by courts and government agencies in all 50 states."
- "No surprise pricing. We offer effective services without expensive hourly fees."
- "94% of our customers would recommend LegalZoom."
- "Start your business. Protect your family. Launch your dreams."
- "70% complete their own will within 15 minutes."



### Getting Started

It seems pretty easy to do. Simply browse to [www.legalzoom.com](http://www.legalzoom.com), choose the document you want to prepare, answer some questions, type in your credit card information and viola--your finished document arrives via email and, if you opt for the more expensive Comprehensive Package, a paper copy is delivered by FedEx a few days later. The lure is clearly the price: a Will is \$69-79 and the pricing for a Revocable Trust is \$249-269.

### Fact Pattern Used

I borrowed some facts from my real life situation and mixed in some fiction. The planning scenario is pretty standard, but a few zingers were added to see how the LegalZoom software responded.

**Marital status:** Married (traditional); first time marriage for both

**Domicile:** Florida

**Children:** 3 (adult) – all children are natural children of client and spouse

1. Stephen (male)
  - Married, Age 33
  - Financially independent – significant wealth due to sale of Dot.com Company in 2000
  - Lives abroad (ex-patriot)
  - Receives 10% remainder share
  - No children
2. Megan (female)
  - Single, Age 27

Financially independent – modest assets (no significant assets other than home)  
Receives 45% remainder share in trust, in perpetuity  
No children

3. Christen (female)

Engaged, Age 25

Financially independent – modest assets (no significant assets other than home co-owned with finance)

Receives 45% remainder share in trust, to terminate at age 35

No children

**Grandchildren:** None

**Net worth:** \$2M

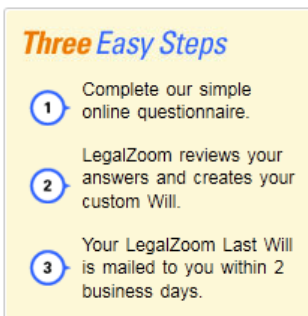
**Gifts:** Specific gifts of tangible property to daughters  
Residue to husband, then to children/descendants

**Personal Timing:** Leaving in a week for two week trip to Europe. Have never done any planning and am uncomfortable leaving the country without a Will or will substitute.

### The Process

**Step 1:** Register at the LegalZoom site before proceeding.

**Step 2:** Choose a document from the LegalZoom library.



**Step 3:** Complete the online questionnaire.

**Step 4:** Pay for your purchase using a credit card.

**Step 5:** Someone at LegalZoom reviews the data input.

**Step 6:** Document is delivered, ready for execution. Delivery method depends on whether you choose Basic or Comprehensive package. Basic includes a paper copy of your completed document mailed to you. Comprehensive provides delivery via email and a hard copy arrives via 2-day delivery service.

at the LegalZoom.com site. The process is very basic. They simply ask for your email address and allow you to choose a password, which becomes your login.

Next, I was asked to "Choose a document." A list appears that includes diverse practice areas (wills, trusts, limited partnerships, real estate leases, divorces, copyrights, patents, general "legal forms" and more). This is where I ran into my first stumbling block. I want to protect my family with a will (I think) or some other document, but I am uncertain about what to choose. The do-it-yourself paradigm shifts the burden to me to educate myself about complex concepts and make drafting decisions that can have a profound impact on my family. For example, I probably know a bit more about Revocable Trusts than most laypersons, but I do not know whether having a Will, Living Trust, or Durable Power of Attorney will solve my problems. This is an intimidating step. There are many issues that should be considered and IMHO a knowledgeable expert here would be invaluable.

LegalZoom attempts to offer some self-help through an FAQ and Will Information Center. I found a few paragraphs of explanatory material on each topic. For example, on the subject of Living Trusts (underline added):

*"A living trust lets you control who receives your assets after you die. However, this isn't the only reason to create a living trust. A living trust can offer many benefits to its creator. For example, a living trust can help your beneficiaries avoid the probate-related expenses and delay normally associated with wills. Probate is required if the value of your probate estate exceeds a relatively low amount, which varies by state. Probate can last longer than two years and may be delayed by factors beyond the control of your beneficiaries, like overcrowded court and attorney schedules. The probate process can cost up to 10% of your estate's value. Living trusts can provide more privacy than wills. Although wills must be submitted to a probate court – and therefore made public – living trusts need not be. Living trusts may help you avoid certain estate taxes if they are prepared and funded properly. Finally, living trusts let you hand over the management of your assets if you become incapacitated."*

Note the ambiguity in the words "can" and "may." I live in Florida. "*Probate is required if the value of your probate estate exceeds a relatively low amount which varies by state*." What's the threshold in Florida? I can surely find it on the internet with more self-help. However, information is not advice and I am still in a quandary. As a self-help customer, I have to 1) read the help and learn about these instruments, 2) interpret this and determine how the issues might or might not apply to me, and 3) make critical decisions flying blind. I am uncomfortable moving forward with a living trust: "*Living trusts may help you*

avoid certain estate taxes *if they are prepared and funded properly.*" How do I properly fund a living trust? I don't know, so more research is needed. Because I am leaving for Europe next week, I want to get something on paper and signed. Frustrated by the complex topics, I give up the idea of perhaps creating a Living Trust and select a Will, hoping that the State of Florida won't get a share of my probate estate.

The next step in the process is completing a Will "questionnaire," a collection of standard data entry forms where I supplied information about me, my husband, children, personal representatives, trustees and specific gifts. I am restricted by the limited options and lack of flexibility, but I push on.

legalzoom™ Last Will and Testament Questionnaire

PROGRESS BAR >>

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**Common questions before creating a will**

**How long will this take?** Help

If you're like most people, you'll find these questions simple to answer -- in fact, you'll probably finish in less than 15 minutes.

**What information will I need?**

You will need the names of the people you want to inherit your property and any special gifts you want to make.

You will not need any legal documents or other official information.

**Select your state**

LegalZoom Last Wills are designed to meet the unique legal requirements of all 50 U.S. states.

Please select that state in which you currently reside.

Florida

legalzoom™ Last Will and Testament Questionnaire

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**Who is making this Last Will?**

First Name Help  
Mary G.

Last Name  
Smith

**Where do you live?**

City  
Melbourne

County (not country)  
Brevard County

State  
Florida

Are you now married?  
Yes

Do you have any children? Help  
Yes

Are you currently of sound mind and free of mental illness? In addition, are you physically able to sign this document on your own power? Help  
Yes

legalzoom.com

Why make a Will today: Name Guardians for your children

legalzoom™ Last Will and Testament Questionnaire

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**Principal Heirs**

How would you like to distribute your estate? Help

How did most people answer this question?

I want to leave everything to my spouse.

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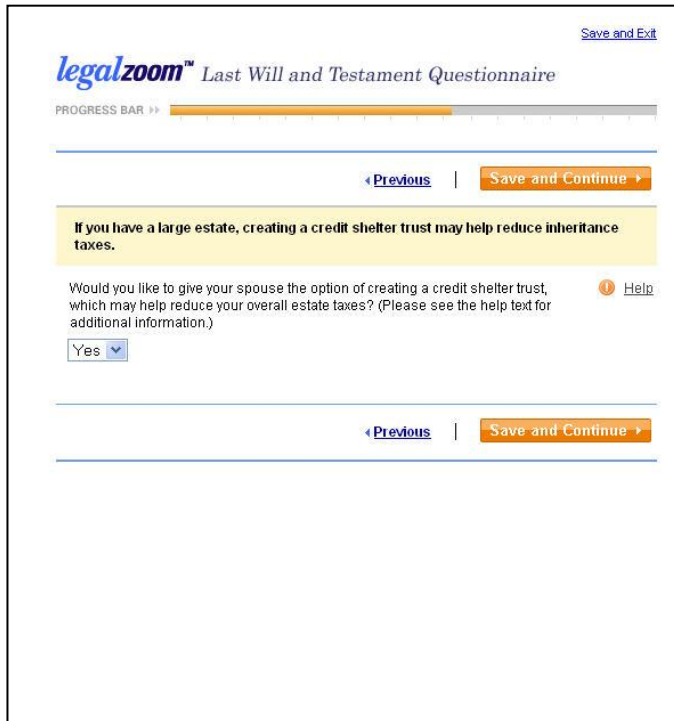
LegalZoom has been featured in the Wall Street Journal, New York Times, and USA Today.

Dedicated to Customer Care

(800) 962-7490  
CALL US TOLL-FREE  
M-F 6:00 AM - 7:00 PM PT

BBB  
Verified Secure Site

Now, on to the challenge round. "If you have a large estate, creating a Credit Shelter Trust may help reduce inheritance taxes." I feel I have fallen into the deep end of the pool with water closing over my head. Is my \$2M estate considered a "large estate?" Do I need, or should I opt for, a Credit Shelter Trust? I suspect this is the first time most LegalZoom customers have even heard this term. I come to the realization that I am not paying good money to buy a document, I'm purchasing a solution to my problem, and I've become my own problem solver. So, I'm back to researching legal and tax concepts using the LegalZoom "Help" button to see what it recommends. LegalZoom help seems to think a Credit Shelter Trust provides some flexibility so I answer "Yes." (Is it possible to grasp the concept of a Credit Shelter Trust after reading a single paragraph?)



On the next dialog, LegalZoom asks if I would like to "include a Testamentary Trust clause" to protect my children. Before answering, I must once again visit the LegalZoom help. I chose "Yes," although I was not completely comfortable with my answer. Then I was asked for the beneficiary name, how long the beneficiary's share will be held in trust, and to name the trustees. The remainder of the questionnaire contained questions about a final resting place and special funeral instructions. I assume by the time the will is reviewed by my heirs, it will likely be a little late for those special instructions.

Now that I have completed all questions, I am asked to pay for my document. Information appears telling me that the document will be reviewed for grammar, typos and other errors. For an extra \$17 charge, I would receive my Will via email and overnight express delivery.

The next day I received a call from "Seth" at LegalZoom. I suspected Seth was a lawyer, but he didn't identify himself as such. He needed to clarify a few answers I had provided, especially my answers on the child testamentary trust screen. I had deliberately specified that Megan's trust would terminate upon reaching age 35 and Christen's would last in perpetuity. I didn't know whether Florida permitted perpetual trusts and was interested in seeing how LegalZoom dealt with this kind of "type in your answer" question. Seth said I needed to specify a termination date, which I then did, although he didn't explain why (was it a state law issue or a LegalZoom software limitation issue?) He then adjusted the language that appeared in the final document. I suspected he was a lawyer but that he couldn't provide me any advice. I asked him what he thought I should do to resolve this and he nibbled around the edges, clearly trying to avoid giving "legal advice." This a delicate balancing act when the customer doesn't understand concepts and their implications.

My hard copy will arrived the next day in a nice presentation folder with instructions on how to have it executed. It was produced in nice quality bond paper. I gave a copy of my Will to an estate planning attorney. I showed her my sample family profile and Will, asking her to review it for errors or serious shortcomings. Her analysis appears at the end of this article "10 Top Planning Scenarios Not Covered by LegalZoom."

## Summary and Conclusions

The customer experience was good. I was able to work my way through the lengthy questionnaire although I did not understand the implications of what I was choosing. Using LegalZoom for DIY legal help is much like doing your own

bathroom wiring – without an electrician's license, it's dangerous. Time to call a trained profession and pay a reasonable fee to have it done correctly the first time. Buyer beware.

### **Top 10 Planning Scenarios Not Covered by LegalZoom**

1. Clients who want to leave property to specific people or charities if spouse/descendants are not living,
2. Clients who want to ensure property stays in the family line, rather than passing to son-in-law or daughter-in-law if a child dies.
3. Clients with disabled children/beneficiaries (or who would like to include provisions to apply in case a child develops a disability later in life).
4. Clients who want to include special provisions for beneficiaries who develop substance abuse problems
5. Clients who would like to protect property from creditors and provide management by leaving it in trust for their spouse.
6. Clients who would like to have property sprinkled out to children at different ages – such as 1/3 at 25, 1/3 at 35, and 1/3 at 45.
7. Clients who would like to put property in trust for children, but make sure all income is given to the child each year.
8. Clients with children from prior marriages, where they may want to exclude certain children, or include step-children.
9. Clients who live in a state where there is state estate taxation.
10. Clients with specific residency issues, such as community property state residents, resident aliens, or clients with property in several states.

## LegalZoom Last Will includes:

Basic  
\$69.00

Comprehensive  
\$79.00

**State-specific provisions**

Tailored to the requirements of your state



**General provisions**

Covers family, beneficiaries, property distribution and more



**Advanced provisions**

Covers guardians, minor children and tax shelters



**Statement of interment**

Allows you to specify your final wishes



**Self-proving affidavit**

Saves time on proving your will in court (where applicable)



**Property worksheet**

Helps organize accounts and personal property



**Instructional guides**

Easy-to-follow guides for you, guardians and executors



**Peace-of-mind review**

Personal review by a document specialist



**Printed on archival-quality paper**

Acid-free paper ensures your Will lasts



**FREE revisions - up to 30 days after purchase**

Includes review, reprinting and mailing



**Rush processing - 2 business days**

Expedites review and printing - processing for the Basic Package takes 4 business days



**Email delivery**

Emailed to you as soon as it's complete



**Legal Advantage Plus plan - 30-day FREE trial\***

After the trial period, only \$14.99 per month (\$179.88 per year)—cancel any time by calling (800) 773-0888, or benefits will continue automatically. Plan includes:



- **Attorney support.** Speak with an experienced attorney on estate planning, contracts and other new legal matters.
- **Annual legal checkup with an attorney.** Ensure your estate plan and other legal documents are up-to-date.
- **Unlimited revisions to your Last Will through LegalZoom.** Change your last will an unlimited number of times.
- **Secure storage and delivery of your last will.** Store a copy and have it sent to you at any time.
- **Unlimited access to LegalZoom legal forms.** Download hundreds of legal forms for personal use.
- **25% savings on additional attorney services.** Helps cover you if you need additional services.
- **10% savings on any LegalZoom legal documents.** Take advantage of savings on our legal documents.



\*Not available in all states. For full details, see our [Advantage Terms of Service](#).

# legalzoom™ Living Trusts

## Living Trusts Package Pricing

	Basic	Comprehensive
<b>The living trust packages include:</b>	<b>\$249</b>	<b>\$269</b>
<b>State-specific provisions</b> Tailored to the requirements of your state	✓	✓
<b>Individual, Joint or Joint AB Trusts Available</b> Can hold and distribute one person's property or a couple's property. Can include tax savings provisions.	✓	✓
<b>Customized Questions for 9 Different Types of Assets</b> Your trust can hold a variety of real and personal property, including your home, bank and brokerage accounts, business interests, etc.	✓	✓
<b>Specific gifts and children's subtrusts</b> Make gifts of specific property (such as jewelry or furniture) and create subtrusts for minor children.	✓	✓
<b>"Pour-Over" Last Will</b> Ensures that property not held in your trust is given to your beneficiaries. Can name the guardians of your minor children.	✓	✓
<b>Successor &amp; Alternate Successor Trustees</b> Select people in a specific order to manage your assets for you and your beneficiaries when you are unable to do so	✓	✓
<b>Real Estate Deed Transfers</b> Transfers title to your home and other real property into your trust	additional fees apply	additional fees apply
<b>Documents for Managing Your Trust</b> Includes Certificate / Abstract of Trust, bill of transfer and transfer notices as well as instructional guides for managing and funding your trust.	✓	✓
<b>Deluxe Living Trust Organizer &amp; Archival Quality Paper</b> Trust and other documents protected and organized in a secure binder. Easy for you and your representatives to locate and use the documents when needed	✓	✓
<b>Peace-of-mind review</b> Personal review by a document specialist	✓	✓
<b>FREE revisions up to 30 days after purchase</b> Includes review, reprinting and mailing	✓	✓
<b>Rush processing – 2 business days</b> Expedites review and printing—processing for the Basic Package takes 4 business days	☐	✓
<b>Email delivery</b> Emailed to you as soon as it's complete	☐	✓
<b>Legal Advantage Plus plan – 30-day FREE trial*</b> <i>After the trial period, only \$14.99 per month (\$179.88 annually) - cancel any time by calling (800) 773-0888, or benefits will continue automatically. Plan includes:</i>	☐	✓
<ul style="list-style-type: none"> <li>• <b>Attorney support.</b> Speak with an experienced attorney on estate planning, contracts and other legal matters.</li> </ul>	☐	✓
<ul style="list-style-type: none"> <li>• <b>Annual legal checkup with an attorney.</b> Ensure your estate plan and other legal documents are up-to-date.</li> </ul>	☐	✓
<ul style="list-style-type: none"> <li>• <b>Unlimited revisions to your living trust through LegalZoom.</b> Change your living trust an unlimited number of times.</li> </ul>	☐	✓
<ul style="list-style-type: none"> <li>• <b>Secure storage and delivery of your living trust.</b> Store a copy and have it sent to you at any time.</li> </ul>	☐	✓
<ul style="list-style-type: none"> <li>• <b>Unlimited access to LegalZoom legal forms.</b> Download hundreds of legal forms for personal use.</li> </ul>	☐	✓
<ul style="list-style-type: none"> <li>• <b>25% savings on additional attorney services.</b> Helps cover you if you need additional services.</li> </ul>	☐	✓
<ul style="list-style-type: none"> <li>• <b>10% savings on any LegalZoom documents.</b> Take advantage of savings on our legal documents .</li> </ul>	☐	✓



## Which estate planning document is right for me?

	Last Will	Living Trust	Power of Attorney	Living Will
<b>Recommended For</b>	People who want to distribute property to loved ones and name guardians for minor children.	People who want to transfer property to loved ones quickly and privately, generally avoiding probate.	People who want to appoint an individual to make key legal and financial decisions on their behalf.	People who want to specify their wishes for medical care and artificial life support in advance.
<b>Specifies guardianship for minor children?</b>	A last will can establish guardianship for minor children.	A LegalZoom Living Trust includes a free "pour-over" will that allows you to name guardians for minor children. <sup>1</sup>	A power of attorney does not generally establish guardianship.	A living will does not establish guardianship.
<b>Outlines medical wishes if you are unable to communicate?</b>	A last will does not specify medical wishes.	A living trust does not specify medical wishes.	LegalZoom's Power of Attorney documents do not specify medical wishes.	Yes. A LegalZoom Living Will allows you to make decisions regarding life support, pain medication, artificial nutrition, organ donation, and how anatomical gifts are to be distributed, as allowed by the laws in your state.
<b>Assigns someone to handle personal financial affairs?</b>	A last will assigns an executor (personal representative) to ensure your instructions are carried out.	A living trust assigns a "successor trustee" to ensure your trust's instructions are followed.	A power of attorney assigns someone to handle specific legal or financial affairs. You can grant powers in as many or as few legal or financial areas as you wish (banking, insurance, real estate, etc.).	A LegalZoom Living Will includes a Healthcare Power of Attorney that appoints someone to make medical decisions on your behalf if you are unable to communicate your wishes.
<b>Is it Private?</b>	Last wills are probated in court and become a matter of public record. <sup>2</sup>	Yes. A living trust distributes assets privately and does not usually require probate court. <sup>1</sup>	Yes. In general, the details of a power of attorney remain private.	Yes. The details of a living will are kept between you, your family and your physician.
<b>When Does it Go Into Effect?</b>	Upon your death, but probating an estate and distributing assets can take up to 3 years.	Immediately when the document is signed and the trust is funded. A living trust helps speed the transfer of assets to loved ones.	Goes into effect immediately, or upon a specific event (e.g., incapacitation, travel). Dates of duration can also be specified.	Goes into effect upon incapacitation.
<b>Requires Court Involvement?<sup>4</sup></b>	Yes. A last will must generally go through probate court.	A living trust helps avoid probate court, saving your loved ones delays and court fees. <sup>1</sup>	A power of attorney does not generally require court involvement.	A living will does not generally require court involvement.
<b>Duration</b>	No expiration but can be revised or revoked at any time.	No expiration date is required, but a living trust can have an expiration date. Can be revised or revoked at any time. <sup>3</sup>	Duration depends on the type of power of attorney, but can be revised or revoked at any time.	No expiration but can be revised or revoked at any time.

<sup>1</sup> A LegalZoom Living Trust includes a "pour-over" will, which may be subject to probate court. This "pour-over" will can establish guardianship of minor children.

<sup>2</sup> All last wills are subject to probate court, unless the total value of your estate is below the statutory minimum.

<sup>3</sup> With an A/B trust, if one spouse dies, that spouse's half of the trust becomes irrevocable.

<sup>4</sup> Any document that is challenged by a third party may be reviewed in court.