

Sarae Kurth: [00:00](#) Hello, you're listening to the Clear Money Program's podcast. I'm your host, Sarae Kurth, Community Relations Coordinator at Denver Community Credit Union. Denver Community is a not-for-profit financial cooperative serving the people of Denver, Jefferson, Arapahoe, and Adams counties. Today I'm speaking with attorney Frank Danzo of the Chayet and Danzo, LLC. about trusts, which are a popular state planning tool, has presented many classes on this topic at the credit union and is very experienced in this field. Hi Frank.

Frank Danzo: [00:31](#) Hi Sarae. How are you?

Sarae Kurth: [00:31](#) Well, thank you. Thanks for joining us.

Frank Danzo: [00:34](#) Glad to be here. Glad to be here.

Sarae Kurth: [00:36](#) Could you please tell our listeners a little about yourself and why you decided to practice law in the area of estate planning?

Frank Danzo: [00:44](#) Sure. Uh, I picked kind of a long road to get to where I am, but, uh, it first started when I was about 10 years old and my aunt, my mom's sister, was in a very serious head-on car accident and ended up in a coma for about 10 years. And so I spent a lot of my teenage years going to visit her in a nursing home, and she ended up being in a coma for about 10 years, and never woke up. So I have a firsthand experience, uh, as a teenager with what it's like to have someone you've known, um, go through that. And so that kinda set the tone for a wanting to help people in this area. Then I had the opportunity when I got out of law school to go into this area and I tried almost every other area of the law, and it turned out I really enjoyed this area, and I enjoy visiting with people and hearing their stories, and learning about their family, and helping them plan to avoid a lot of the mistakes and problems that we all face at some time or another. And uh, so to me, it's very enjoyable because I'm not having to go fight like most other areas of the law. I do more planning, and I get to know people and be involved with them.

Sarae Kurth: [01:57](#) That's great. Thank you for sharing. So what is the purpose of a trust? Exactly, and how does it function?

Frank Danzo: [02:04](#) Well, um, a lot of people think that trusts are, um, new and their wills or the old way and trust are the new way, but actually trusts are the older of the two. Trusts have been around for about 2000 years since the Romans, and uh wills have been around since about 1244 AD with the statute of wills in England and because we follow the English system of law, uh, we have

been using wills for the last 250 years in the United States, uh, and trusts were sort of forgotten, but they have been around, and over the last 50 years, they've become more and more popular. And the reason for that is when you do a will based plan, you were relying on the statutes and the courts because it is a supervised court administration process to deal with your estate and your assets. When you use a trust, you're actually using a private contract to try to do pretty much the same thing. But you're trusting someone to handle those affairs without having to go to court. And so the concept of a trust is giving someone else, the trustee, the ability to manage things, and you give them the instructions, what you would like them to do, and then you trust them to carry out those wishes. Uh, so that is the basic concept of a trust. The reason they have become so popular in the United States and in Colorado over the last 50 years is because people keep looking around and saying, man, it's really time consuming and expensive and it's a real hassle to go through the government and the courts, and the system, and is there a better, more efficient way to do that? And so when we're talking about the issues of probate, guardianship and conservatorship, which are all the different court processes to help take care of you and take care of your assets, people get really upset at those because they're very intrusive. They're very cumbersome, they're very time consuming. Uh, and they're very expensive. And a trust is a great way to use that private contract to create a plan to say who's in charge and what do we do to take care of me and take care of my assets if I can't do it for myself for any reason, whether I'm incapacitated, or I pass away,

Sarae Kurth:

[04:23](#)

Right. So, many people assume that a will is able to take care of all the basic inheritance matters, and the trusts are only a tool used by the wealthy are those who have really significant amount of assets. How do trusts differ from wills?

Frank Danzo:

[04:37](#)

Well, wills are the traditional way that we've done here in the United States to deal with things when you pass away. And so your last will and testament is, this is what I would like to see happen. This is who I would like to be in charge, my executor, or in Colorado we call that personal representative, and this is who I would like to get my things when I'm gone. And that is the traditional way that came from England 800 years ago, and it is uh, supervised by the courts and administered by the courts. And so, um, when you use a will, first of all, it only takes effect when you pass away, so it cannot help you while you're alive. And second of all, it must go through the court system if we're going to use it. The process of administering your will is probate, and that's what probate is. The process of making sure

that your wishes are followed and because we want to guarantee that we send it through the court system to make sure your wishes are carried out. A trust is a little bit different. It is a private contract. And with that private contract you were picking a trustee which would be like your executor and you were giving them the instructions on what you would like to see them do. The difference being you do not go to court to do everything. They, you are trusting them to do it privately and handle things without going to court. And so even though most people think trusts are only for the uber-wealthy, and the Rockefellers, and the Kennedys, and multi-generational with millions and millions of dollars, they're actually a pretty good tool for the rest of us because they allow you to create that plan that says who's in charge and what do we do to take care of me and take care of my assets if I can't do it for myself.

Sarae Kurth: [06:16](#)

Right. So, that would cover someone in the event that they become incapacitated - they're in a car accident or um, have a stroke or something like that? Um, whereas a will, as you mentioned, would only set in if they are deceased.

Frank Danzo: [06:30](#)

Correct. So the beauty of the trust is, and there's really, it's a really flexible tool. Um, first of all, you didn't have to give up any control when you're creating your trust. Because the most popular type of trust, the revocable living trust allows you to actually keep control. You have the ability to revoke it, amended, or change it whenever you want. You have the ability to put stuff in today, pull it out tomorrow. You can buy, sell, swap, change it whenever you want, and so you're not giving up any control, but if something goes wrong and you were unable to handle your affairs for any reason due to a stroke, or an accident, or Alzheimer's, or anything like that, then the trust kicks in, and you have a backup plan to say who's taking over, and how are they going to take care of me and use my assets to take care of me. So it's a great tool for avoiding going to court for probate, guardianship, and conservatorship, as well as for providing for your beneficiaries when the time comes.

Sarae Kurth: [07:30](#)

Right. And you mentioned it can be amended, and changed, and updated as needed for the revocable living trust. Correct?

Frank Danzo: [07:38](#)

Correct. So the beauty of that one is it allows you to change it whenever you need to, and sometimes it will be changes in the law. Sometimes there will be changes in your family. Sometimes it will be changes in your finances, and as we all know, life happens and we have to deal with what happens and there will be changes as things go along. None of us can predict the future. None of us know exactly how things are going to go and

so allowing us, you know, on average maybe five to 10 years, you'll make some adjustments to the plan to tweak it to make sure that it's still doing what you want it to do.

Sarae Kurth: [08:14](#) Great. So I know it, it really varies depending on how, um, how much goes into a trust. But what do trusts, a trust typically costs to set up?

Frank Danzo: [08:23](#) Yeah. You know, the range, it really depends. Um, there are firms downtown that will charge seven to \$10,000 to do stuff. I'm generally, I would say we're somewhere around half that range, probably more in the \$1,500 to \$3,500 range. You can try to go on someplace like Legal Zoom, or something, and do one for probably around a \$1,000. Generally, I don't recommend that, but it is an option. And um, I would say in general for most people, for the most popular type of revocable living trust, you would probably be somewhere in the \$1,500 to \$2,500 range. It really depends on if we're doing any tax planning, if we're doing any special needs planning for, uh, children or if we're doing any other kind of asset protection planning, if that's involved in there as well. But for most people it's in a pretty reasonable range when you talk about the overall cost for estate planning and what it's going to take.

Sarae Kurth: [09:21](#) Okay. And just to give some comparison, what does the probate process typically cost?

Frank Danzo: [09:28](#) Yeah. In Colorado, we have what's called simplify probate. So we actually have one of the kinder, and gentler, and cheaper systems that you'll find anywhere in the country, but on average it probably takes about nine to 18 months, and it probably costs about \$8,000 to \$10,000 to go through a pretty garden variety probate here in Colorado. And so to give you an idea, when I started 21 years ago, it was about \$3,000 to do that. So it's about tripled over the last 20 years, and it will probably triple over the next 20 years again. So, um, it is, you know, not the end of the world, but it's also every \$10,000 adds up and for most people they much prefer to see that go to their family then go to the courts and the system.

Sarae Kurth: [10:13](#) Sure. Thank you so much for your time and expertise. Could you please share your firm's contact information so that listeners can reach out if they have any questions?

Sarae Kurth: [10:32](#) Absolutely. So I'm one of the partners at Chayet and Danzo. My partner Marco Chayet, and myself, Frank Danzo, we are located in Cherry Creek as one of the premier, a boutique elder law and estate planning firms here in Colorado. And our website is

www.coloradoelderlaw.com. All one word. And our main phone number is 303-355-8500, and my email if you wanted to reach me directly is Frank@Coloradoelderlaw.com, and we would be happy to help.

Frank Danzo:

[11:06](#)

Great. Thank you. And thanks listeners for tuning in. Our website is denvercommunity.coop/education. There, you can find the upcoming wills and trusts classes if you're in the Metro Denver area and want to get some more in depth information, and you can also find other podcasts we've recorded with regards to estate planning with Frank. Follow us on Denver Community on Facebook and Twitter for personal finance tips and community news. Thanks for listening.