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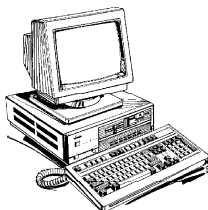
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FALL 2005

Welcome to the NEWSLETTER of Fisher's Law Office, providing you with legal information you can use in your everyday life.

1. UNDER A NEW LAW, YOU CAN GET YOUR CREDIT REPORT FOR FREE!

Under the Fair and Accurate Credit Transactions Act of 2003, citizens of Florida, beginning June 1, 2005, can obtain a free copy of their credit report once per year. In order to get your free credit report, you need to have access to the internet. You should go to the website <http://www.annualcreditreport.com> and follow the online instructions.



If you see any mistakes on your credit report, you should write the credit bureau and dispute the accuracy of any incorrect information. Tip: You can also obtain copies of banking information about yourself once a year by going to the ChexSystems webpage and printing out the form and mailing it to obtain information banks keep on record about you.

2. THE UNITED STATES BANKRUPTCY LAW HAS CHANGED DRAMATICALLY.

The United States Senate passed a new bankruptcy code and the President signed the bill early in the summer of 2005. For better or for worse, the new Bankruptcy Act is the law of the land. Here are some of the changes:

(a) Beginning in October 2005, anyone declaring bankruptcy with income greater than the "median income" in their home state will be required to enter a repayment plan under Chapter 13 of the Bankruptcy Code. Chapter 13 requires repayment of much of what is owed creditors over a three to five year period. No longer will such debtors be

allowed to file under Chapter 7 and have all their debts forgiven.

(b) Debtors who file bankruptcy will now be required to have "debt counseling".

(c) If a person filing bankruptcy buys a homestead with intent to defraud a creditor within ten years of filing for bankruptcy, the homestead exemption is lost in bankruptcy. For example, if a bank robber uses the money from a bank robbery to purchase a home and declares bankruptcy, the home will not be considered a homestead notwithstanding Florida's homestead exemption.

(d) The law prevents new residents from moving to Florida and immediately filing for bankruptcy to benefit from Florida's liberal "homestead exemption".

(e) Under the new bankruptcy law, a person filing bankruptcy must live in Florida for two years before claiming Florida's bankruptcy exemptions (homestead exemption, etc.).

(f) Retirement plans under the new Section 522(b)(3)(C) of the Bankruptcy Code are specifically considered exempt assets under the new bankruptcy law. The exemption on retirement plans is limited to one million dollars (\$1,000,000.00). However, any "SEP" or "simple IRA" retirement plans may have more than \$1,000,000.00 in them and still be exempt under the new bankruptcy law.



(g) No longer can wealthy individuals buy a multimillion dollar home in Florida to automatically shelter their wealth from creditors in bankruptcy. Under the new Section 522(p), the value of the

homestead of a bankrupt in excess of \$125,000.00 is no longer exempt until three years and four months after the date the home is purchased.

(h) A criminal convicted of a felony in connection with securities laws or who committed certain other criminal acts cannot claim Florida's homestead exemption no matter how long he waits after buying the home to declare bankruptcy.

(i) Lastly, the Bankruptcy Code contains a new fraudulent transfer rule which allows the Bankruptcy Trustee to avoid transfers a bankrupt makes to a "self settled" trust if the debtor is the beneficiary of the trust. The transfers can be avoided if they are made to a trust within ten years before the date of filing for bankruptcy.

(j) What to do about all this? Try to avoid bankruptcy. Under Florida law, new residents' homes are protected if they don't declare bankruptcy so the best strategy is to stay out of the federal bankruptcy system if possible.

3. LIVING WITH A NEW MAN AFTER YOUR DIVORCE? YOUR ALIMONY IS AT RISK!

Under Florida's new adultery statute (Senate Bill sb0152c1), a woman who enters into a "de facto" marriage with a man can have her alimony taken away even if she is not officially married!



This radical change to Florida law was signed by Governor Bush in 2005. If you have a spouse you are paying alimony to who is living with another man and holds herself out as being married, you may have a chance to eliminate your alimony.

Under the old law, if your spouse is involved in an adulterous affair during your marriage, you may be able to avoid paying alimony or have your alimony reduced. Florida Statutes, Section 61.08 states that: "The court may consider the adultery of either spouse and the circumstances thereof in determining the amount of alimony, if any, to be awarded."

4. WHAT SHOULD YOU DO TO MAKE THINGS EASY ON YOUR SPOUSE SHOULD YOU DIE PREMATURELY?

Have a conversation with your spouse and answer the following questions:

1. Where is your Will? Show your spouse where your Will is as well as a list of your assets and liabilities.

2. How do you access financial information? Show your spouse how to access financial information including bank accounts, mutual funds, stock accounts, rental properties, etc.

3. How are we doing financially? Have a conversation with your spouse at least once a year to inform her of how you are doing financially, how much you have, how much your debts are and how much you are saving.

4. What are our debts? Disclose debts to your spouse and how to find out information about how much you owe.

5. Who should you call for help? Tell your spouse where to go for help after you die. You should give your spouse the name, address and phone number of a competent certified financial planner.

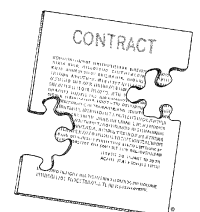
5. WHAT HAPPENS IF YOU OWE DEBTS TO THE FEDERAL GOVERNMENT?

Under the Debt Collection Improvement Act of 1996, the federal government is empowered to notify your employer if you owe a debt to an agency of the federal government. Your employer must then deduct up to 15% of your disposable wages until your debt is paid. Notices to debtors were mailed in February of 2005 and the first wage garnishments went into effect in April 2005. If your employer does not comply with the wage garnishment order, he can become liable for the amounts that should have been taken from the worker's pay. A worker cannot be fired or disciplined because of a federal wage garnishment. As a result of this law, more people will begin working in the "underground economy" so that their wages are not garnished.

6. CASE OF THE MONTH.

Our client was sued for failing to pay a vehicle lease. The collection company suing our client claimed that it purchased the bank's rights under the lease.

During the case, it became apparent that there were no documents proving that the bank had sold the debt. Because of this



failure to prove the case, our client was able to settle the case for pennies on the dollar.

Moral to the story? If you are sued by a company that claims to have purchased a credit card or other debt from a bank, hire a lawyer and have him demand proof of the assignment of the debt to the new creditor. Chances are there will be no documentation of the assignment and you do not have to pay the amount claimed in the lawsuit.

Practice tip: Remember, under Florida Statutes, Section 95.11, a creditor only has five years to sue once you breach your promise to pay. Many creditors wait too long to sue and the case is thrown out if your lawyer correctly raises the “statute of limitations” as a defense.

7. INVESTMENTS RULES OF THUMB.

Investment professionals have several rules of thumb that may be helpful to clients of Fisher’s Law office. These rules have exceptions so please see a certified financial planner before you undertake any of the following:

(a) Save 10% of your income. Experts estimate that the average person should save between 10% and 33% if they want to have a comfortable retirement. You should make sure that you save at least 10% of your gross income in an IRA, 401K Plan or in a personal savings account or a combination of the above.

(b) 5% of your investment should be in energy and gold stocks. Although many people have plenty of exposure to the real estate market through ownership of their home, not many people realize the importance of diversifying their ownership of investments. Investment professionals often recommend that people planning for retirement save in different types of accounts. An example of a retirement portfolio might include mutual funds that invest in energy stocks and natural resources; mutual funds that invest in gold stocks; mutual funds that invest in large capitalization United States stocks and mutual funds that invest in foreign stocks and bonds and a healthy amount of United States Treasuries and bonds. You should work out the specifics of your diversification with



your investment professional who should always be a certified financial planner. You can get referrals for a certified financial planner from attorneys and CPA’s and others.

(c) How much stock should you own? Subtract your age from 100. To determine the amount of exposure you should have to equities (stocks of U.S. and foreign companies), a lot of professionals say you should subtract your age from 100 (for example, if you are 40 years old, you should subtract 40 from 100 resulting in 60 and this is the percentage of your investments that you should hold in stocks of U.S. and foreign companies).

Again, you should work out the details of any diversification of your investments with your certified financial planner.

8. ESTATE TAXES UPDATE

Estate taxes (also called death taxes) have been changed dramatically in the last 25 years in America. In the early 1980’s, the death tax was over 50% and applied to virtually all assets of a decedent. In the early 80’s, the law was changed so that all individuals could die with up to \$675,000.00 tax-free.

The U.S. federal estate tax law has now changed. The estate tax exemption for each year between 2005 and 2011 is set forth in the table below.

Year	Exemption Amount	Estate Tax Rate On Amounts Over Exemption Amount
2005	\$1,500,000.00	47%
2006	\$2,000,000.00	47%
2007	\$2,000,000.00	45%
2008	\$2,000,000.00	45%
2009	\$3,500,000.00	45%
2010	0	0
2011	\$1,000,000.00	55%

Currently, Florida does not have a state estate tax. Other states such as North Carolina, Connecticut and Washington State have enacted new estate taxes that apply even if the federal estate is left at zero.

You should meet with a competent financial advisor or estate lawyer to plan your estate.