

# THE STANTON REPORT

Spring 2015

*Views and opinions for  
the friends and clients  
of Investment Advisor  
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## *A Word from Richard*

Easter has come and gone and golf season is just around the corner. Except for a late snow fall last week all signs of winter have pretty much disappeared.

The girls are enjoying their Spring Break and when they get back we will be getting ready for all the year-end performances and school activities. There is a dance recital this year called "Legends". The dance club only puts a show on every second year because of all the hard work it takes to bring it all together by the instructors, students and volunteer parents. Both girls will be involved and it will be a great performance I'm sure, as so many in the past have been. If anyone is interested in attending let me know and I can send you the information to purchase tickets.

Along with dance, Olivia will be starting up soccer for a few months and completing her Grade 5 practical piano exam before the school year is out. With another school year coming to a close Olivia is completing Grade 9 and Jenelle Grade 6.

My quarterly travel schedule appears on Page 4 and as usual if you would like to get together in person or if a telephone appointment is more convenient, please contact Tracy and she will get you booked in. Thanks for reading.

Here is what happened over the first quarter of 2015;

- › **S&P/TSX Composite Index 2.6%**
- › **Dow Jones Industrial Average 0.9%**
- › **MSCI World Index 2.5%**
- › **Crude Oil -11.6%**
- › **Natural Gas -9.1%**
- › **Gold .01%**
- › **Silver 7.0%**



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# ENSURING A SMOOTH TRANSITION FOR YOUR ESTATE

When preparing your surviving spouse to deal with your estate and ensure a successful transition to the next generation, some of the most important steps may not be financial in nature. The key steps may focus more on the responsibilities, relationships and processes with which your spouse should be familiar. Consider some of the following tips to make the transfer and management of your estate as easy as possible for your spouse.

## FAMILY INVENTORY

A good first step in developing an estate plan is to compile a comprehensive list of information pertaining to your family's accounts (banking, investments, etc.), advisors, assets, pension information and insurance policies. This helps ensure that all assets are accounted for. Share the content of this list with your spouse and discuss the details. This can be a valuable exercise so that he or she becomes familiar with what to expect at the time of your death when starting to manage your estate.

It is also important to consider your digital legacy and how your surviving spouse will be able to deal with it. Your digital legacy includes the following: your electronic documents, online currency, photos, videos, records, reward programs, email accounts, domain names, social media profiles, writings, blogs, digital personas, avatars, and balances in your online accounts. A list of your digital assets and how to access them can be useful for your surviving spouse and may reduce the administrative burden of dealing with this aspect of your estate.

## INTRODUCTION TO ADVISORS

If you and your spouse share the same professional advisors for your banking, investments, taxes and legal matters, then continuing these relationships after your death should be seamless. However, if your advisors only have a relationship with you, consider introducing them to your spouse, and possibly other family members, as part of your estate plan. These introductions will allow your surviving spouse to continue working with advisors who know your history and are familiar with your planning. These relationships may help facilitate a smooth estate administration for your spouse and can ensure that any planning you began during your lifetime is continued or completed after your death.

## FINANCIAL PLAN

A current financial plan is important to ensure that life goals will be met. Involving both spouses in the financial planning process can mean that they are more likely to understand each other's needs, goals and concerns. It can provide peace of mind to a surviving spouse who is neither familiar nor comfortable in dealing with financial matters.

A financial plan is not a one-time exercise. As circumstances change, it is important to review and adjust your financial plan as necessary. For instance, when one spouse passes away, the surviving spouse should update their financial plan based on their new situation.

## CHOOSING THE RIGHT EXECUTOR

An executor is the individual or institution appointed in the Will who will administer the estate. Administration of an estate includes preparing an inventory of assets and liabilities, paying off the liabilities, and distributing the remaining assets as required under the terms of the Will. The executor must settle the estate in a timely and even-handed manner according to the intentions stated in the Will, and must also comply with the provincial/territorial laws governing the estate.

When choosing an executor, you should carefully consider not only the importance of an executor's duties and responsibilities but also the willingness, knowledge and ability of the potential executor to act practically and effectively upon your death. An executor is accountable and legally liable for his or her acts of administration. Unfortunately, many executors are unaware of the scope of the role to which they have been appointed.

A common practice is for each spouse to consider the other as their respective executor. However, a spouse may not always be the best choice. They are often the most affected with grief following death as well as overwhelmed by the myriad of decisions with which they are suddenly faced. Funeral arrangements alone can be a cumbersome task, not to mention all the other responsibilities involved in being an executor.

An individual can name someone other than a spouse as executor, or someone as a co-executor to act jointly with the spouse. Co-executors simply share the responsibility and become equally bound and responsible for all the duties of executor.

Here are some alternatives to consider when choosing an executor or co-executor:

- A. Family Members: You may choose to name a family member or your children as executor or co-executors of your estate. When naming a family member, keep in mind the person's age in comparison to your age and their residence and proximity to you. Be sure to ask your family member if they would be willing to act as executor and if they understand what it means.
- B. Professional: A professional such as your trusted accountant or lawyer can be named as executor or co-executor with your spouse or other family member. Typically the professional is bound by a greater duty of care and held to a higher degree of accountability.

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for any professional services rendered, especially given that they charge a fee for the execution of their duties.

- C. **Trust Company:** A trust company is a corporation that has the advantage of not growing old, dying, or becoming incapacitated. Trust companies are highly regulated and are held to the highest degree of accountability under the law. Trust companies charge a fee for their services. They employ a wide variety of professionals and have the expertise to discharge the duties of estate administration, including legal and tax work, in a timely and efficient manner.

There is no obligation to act as an executor, but once the executor has demonstrated his or her decision to act by carrying out duties or tasks relating to the estate, the executor becomes legally liable for his or her actions. An executor has the right to renounce his or her appointment as executor or may decide to delegate various duties to a third party. While he or she may delegate, the executor retains responsibilities.

To avoid the potential delays and costs associated with an executor renouncing their appointment (choosing not to act), it is advisable to have a discussion with the individual you wish to appoint as your executor, (or your back-up choice) before your draft your Will. This helps ensure that the person you choose will be willing to accept their duties and responsibilities if they are required to act in the capacity of executor at some point in time. It is also advisable to name an alternate executor

in your Will in case the executor is unable to act or has predeceased you.

An executor who accepts the responsibility of settling an estate may be overwhelmed by the tasks to be completed, the time constraints and the experience and knowledge required to deal with the complexities of the role. As mentioned earlier, the executor may delegate some tasks to an Agent for Executor such as a professional or trust company but will always retain final decision-making authority and full legal liability for the work delegated to the third party.

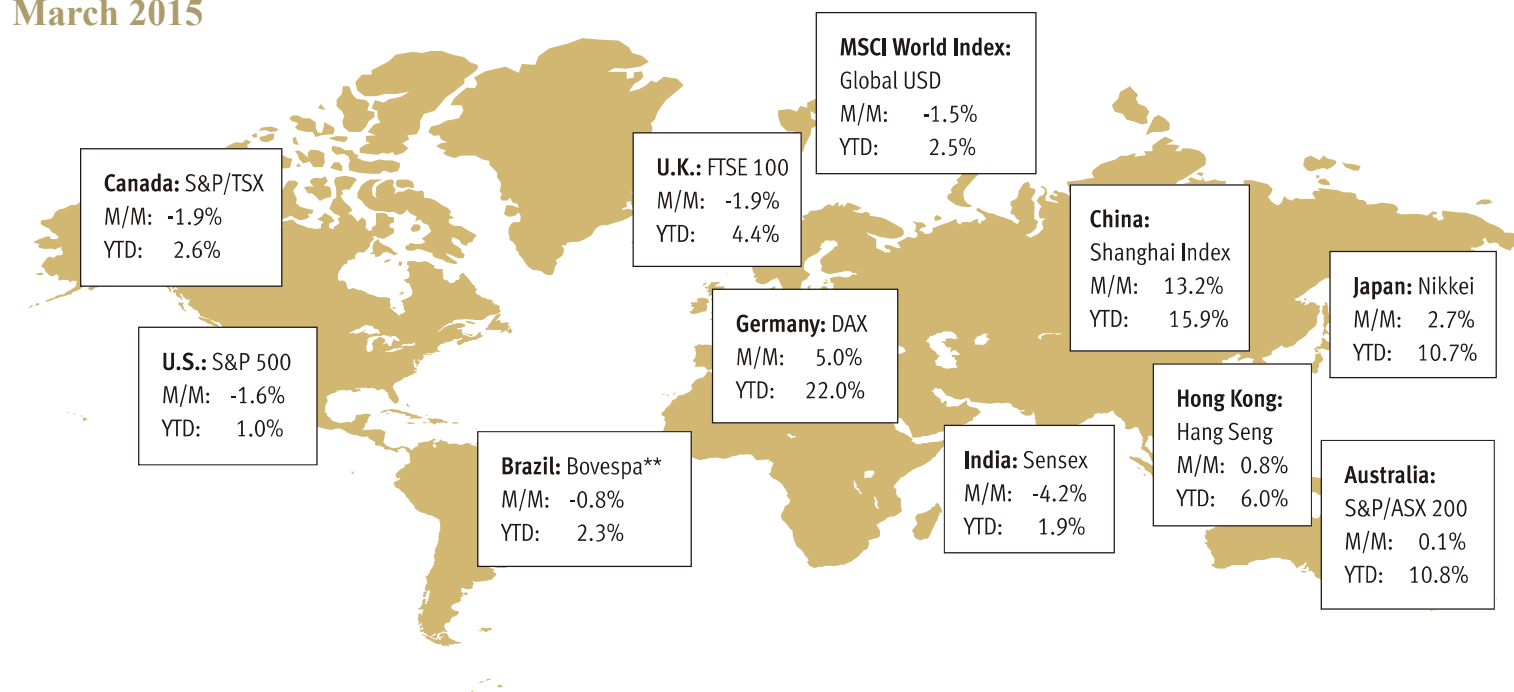
## COMMUNICATION IS PARAMOUNT

If your spouse will be the first heir of your estate and potentially your executor, it is imperative that you have open and regular discussions about your intentions, goals, and plans to allow him or her to be familiar and comfortable with the tasks they will face.

It is equally important that your surviving spouse is familiar and comfortable with your professional advisors so they are able to continue your planning and meet your goals and objectives. Having these discussions during your lifetime may help alleviate any misunderstandings and problems that may arise in settling your estate and give you peace of mind that your goals and objectives will be met while your spouse will be better positioned to be the first heir of your estate.

## World Markets

March 2015



All returns are on a total return basis unless otherwise noted  
 All returns calculated in local currency except for MSCI World  
 \*\* These indices are calculated on a price return basis  
 Source: Bloomberg

# BRAINTEASERS!

1. I'm as light as a feather yet an average man can't hold me more than one minute. What am I?
2. Which word, if pronounced right, is wrong, but if pronounced wrong is right?
3. What happened only in the middle of each month, in all seasons, except summer and happens only in the night, never in the day?
4. Brothers and sisters I have none but this man's father is my father's son. - Who is the man?
5. What can travel around the world while staying in a corner?



## OUT OF TOWN SCHEDULE

### TERRACE

May 25 – 26

### PRINCE RUPERT

May 27 – 28

## INVESTMENTS AND FINANCIAL PLANNING



**"One more time — explain to me why enjoying life after I retire is more important than enjoying life now."**

## Easy Switch to eStatements

Now you can switch to eStatements simply by calling your investment advisor. With eStatements, you can reduce your paperwork by receiving your official RBC Dominion Securities account statements online instead of in the mail. You also have access to seven-year archive of past statements.

## Remember to RRIF

Are you turning 71 this year? Remember you have until the end of 2015 to convert your Registered Retirement Savings Plan (RRSP) into a Registered Retirement Income Fund (RRIF) or other income source. For assistance converting your RRSP, and advice on your RRSP maturity options, please contact your investment advisor.

## BrainTeaser Answers

1. Your breath. 2. Wrong! 3. The letter N. The middle of each month, in all of the seasons and happens in the night, never in the day. 4. The man is my son. 5. A stamp.

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