THE LEGACY PLANNERS P.C.
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The $700 Million Mistake: Why an Asset Inventory Is an Essential Part of Your Estate Plan

Imagine accidentally throwing away $700 million. While it sounds like the plot of a movie, this nightmare scenario has become a reality for James Howells, a computer engineer from Wales, who has now spent more than a decade fighting to recover a discarded hard drive containing the private key to his Bitcoin fortune.

Here's what happened. In 2013, Howells mistakenly discarded a hard drive during an office cleanup. What he didn't realize until too late was that this particular drive contained the only copy of his private key to access 8,000 Bitcoin (BTC) he had mined years earlier. When he realized his error months later, the cryptocurrency had already skyrocketed in value. Today, those 8,000 BTC would be worth approximately $700 million, and as much as $848,000 at the BTC all-time high thus far. It's very likely that Howells' lost BTC will be worth over $1 billion at some point.

For over a decade, Howells has tried everything to recover his lost fortune – begging local officials for permission to search the landfill, offering to share the recovered BTC with the city, taking his case to court, and even proposing to buy the entire landfill. Despite these efforts, the Newport City Council has consistently refused his requests, and British courts have ruled against him, stating there is "no realistic prospect of success." As this article is being published, Howell has said he will file a case with the European Convention on Human Rights.

This cautionary tale highlights a crucial lesson for everyone who owns digital currency, and even those who do not: If you don't know what you own, where it is, and how to find it, your assets could be lost when you die. And, especially if you have digital assets, losing what you have can be a catastrophic, unrecoverable loss. Digital assets are especially vulnerable to loss, if they aren't inventoried and included with your estate plan.

The Modern Challenge of Asset Tracking

While most of us won't lose hundreds of millions in cryptocurrency, many people face similar challenges on a smaller scale. Our assets (only part of which are financial) are increasingly scattered and less tangible in today's digital world.

For instance, you may have:

- Cryptocurrency in various digital wallets
- Digital photos and personal archives stored across multiple cloud services
- Online financial accounts with different institutions
- Insurance policies that are accessed through your employer's online benefits platform
- Frequent flyer miles and reward points worth thousands of dollars

How are you keeping track of these assets? Are you sure you know exactly what you have and where it is? Howells wasn't.

Now think about this: If Howells could lose an extremely valuable asset while he's alive, how will your loved ones know where your assets are after you're gone? Or, how will they even know what you have? If you don't know the answer, the ramifications can be considerable.

The Real Consequences of Poor Asset Tracking

Across the U.S., approximately $60 billion in known assets have been lost or forgotten about. Bank accounts, insurance policies, retirement funds, and other financial assets regularly become "lost" when people move, change contact information, or simply forget about accounts. And that doesn't even count the billions or, one day, trillions of lost digital assets that aren't yet being tracked as lost.

If you don't have an up-to-date inventory of all your assets, here's what's likely to happen:

- Assets may be permanently lost or forgotten
- Your loved ones may never even know these resources existed
- Court processes like probate become longer and more expensive
- Family conflict can arise when assets are discovered later
- Digital assets may become inaccessible without proper password management
- Sentimental items might be discarded or lost during transitions

While it's possible some of your assets could end up in a landfill like Howells' BTC hard drive, what's more likely to happen is they get turned over to the government. Each state has a Department of Unclaimed Property for this purpose. And for you or your loved ones to recover the lost asset, you have to go through a process that is time-consuming, tedious - and may even result in failure.

As a Personal Family Lawyer®, I've seen families devastated not just by the financial impact of lost assets but by the emotional toll when meaningful items disappear or become inaccessible after a loved one's passing. This happens if a person has no estate plan, an outdated estate plan, or a plan that's just a set of legal documents. There is a better way.

The Life & Legacy Planning Solution

The traditional way to do estate planning, the way most people know because they haven't been educated, is to draft a will, financial power of attorney, health care power of attorney, and maybe a trust. Then, you "set it and forget it," storing your documents in a drawer and never looking at them again. When "planning" is done this way, it often results in court, conflict, lost assets, and even irreparably broken relationships among those you love most.

But my proprietary Life & Legacy Planning process is completely different. I go beyond mere document drafting and create not only legal documents, but all the other facets that need to be in place for your plan to work, including a comprehensive asset inventory as a foundational element. Here are just a few highlights of the Life & Legacy Planning process:

Personal Resource Map

Right from the get-go, I help you create a detailed inventory of everything you own – from real estate and bank accounts to digital assets and family heirlooms. This comprehensive map ensures nothing is overlooked or forgotten. I believe this is so important that I'll support you to do this whether you decide to work with me or not.

Regular Reviews and Updates

Life changes, and so do your assets. My process includes regular reviews to ensure your inventory stays current as you acquire new assets or sell existing ones.

Secure Documentation

I provide secure systems for documenting access information for your digital assets, ensuring your designated representatives can access what they need when the time comes.

Clear Communication Plan

I guide you in communicating with loved ones about what you have and where it's located, without compromising security during your lifetime. I'll also be there for your loved ones after you're gone, so they know what to do.

Peace of Mind in a Complex World

James Howells' story is extreme but serves as a powerful reminder that in today's complex world, knowing what you have and ensuring it's properly documented is more important than ever.

As your trusted Personal Family Lawyer® attorney, I don't just draft documents; I assist you in making informed and empowered decisions about life and death for yourself and the people you love. That's why I offer a Life & Legacy Planning® Session, during which you will get more financially organized than you've ever been before and make all the best choices for the people you love.

Click here to schedule a complimentary 15-minute consultation to learn more and get started today:

https://calendly.com/lauren-tlppc

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