



# JONATHAN'S JUDGEMENT

## DIGITAL ASSETS

*Following is another installment of “Jonathan’s Judgment”, a column from attorney and CPA Jonathan Goldberg of Bloom, Bloom & Associates, that will appear regularly in our email newsletter. In this column, Jonathan will look at topical things in the news that relate to estate, tax and financial planning, and give his take on what people can learn from these situations.*

**G**rowing up, there was often a “secret password” that kids in the neighborhood used. But today, most of us have to remember numerous passwords to access just about anything online from banking and investment accounts, credit card statements and even government accounts like Social Security, just to name a few. In fact, it is not uncommon today for an adult to have 25 or more online accounts. Managing all the different passwords can be quite a nightmare, but they can also be a problem for your heirs after you die if they can’t gain access to your accounts to shut them down.

Today, these passwords and other online accounts are often called someone’s “digital assets.” While they may not seem like a traditional asset, imagine what could happen if your user ID and passwords for these various accounts fell into the wrong hands. The hard assets these passwords protect, such as your investment portfolio, savings accounts or credit cards, could be compromised. If you own a business, your customer list or database may also be password protected, and nothing good can happen if those lists get into someone’s hands that aren’t associated with your business.

And while digital assets are usually looked upon as financial or credit accounts, don’t forget the harm that can be done if someone were able to access your Facebook or Twitter accounts, or your Cloud where you store all your family photos and videos.

Remember what happened to Tiger's pitcher Justin Verlander and his girlfriend model Kate Upton when someone hacked into their Apple iCloud account!

With all the potential negatives that can happen if any of your passwords are stolen, I make sure to discuss this area of digital assets with my estate planning clients and develop a plan to deal with them. That includes doing a complete inventory of ALL the client's online accounts, and outlining the contents of each one, the URL address that connects them to that account, the user name and password, and what the client wants to do with the accounts after their death and who they want to oversee that process.

It is very important to think about the successor you designate in your estate plan to take care of these assets. This person doesn't have to be the main trustee or administrator of your estate, but can be chosen specifically to handle your digital assets and on-line accounts. In most cases, it would be helpful to choose someone who is internet savvy and will understand the process of logging into online accounts.

With virtually everyone going online weekly if not daily, the chances that you will have even more passwords for online accounts in the future is guaranteed. So make it easier for your heirs to manage these accounts after you die by making your digital assets a part of your estate plan. If you would like to discuss your estate planning needs and the addition of digital assets to it, feel free to contact me at (248) 932-5200 or via email at [jonathan@bloomlawfirm.com](mailto:jonathan@bloomlawfirm.com).

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*Jonathan Goldberg is an attorney and CPA with Bloom, Bloom and Associates and Bloom Asset Management. He is a graduate of the University of Detroit - School of Law and received a bachelor's degree in Business Administration from the University of Michigan. He is also a licensed Certified Public Accountant (CPA), and he earned a Certificate of Completion in the areas of probate and estate planning from the Institute of Continuing Legal Education and the Probate and Estate Planning Section of the State Bar of Michigan. In addition to providing financial consultations, Jonathan specializes in estate planning, probate, tax law, business planning, retirement plans, real estate, contracts, acquisitions, and litigation matters.*



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