

## STAY FOCUSED

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“At our Firm,  
Your Estate Plan  
is Not Business,  
it’s Personal...”



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## HIGHLIGHTS IN THIS ISSUE

- 01 Stay Focused
- 02 Is The U.S. The New Tax Haven?
- 03 Book Review
- 03 Business / Health / Wealth
- 04 Independence Day

*There is no charm equal to  
tenderness of heart.*

- Jane Austen

Have you seen the latest craze on Cryptocurrencies lately? What about the ‘fail proof’ internet course that promises a funnel of unlimited potential clients? Of course, none of this means anything if you don’t sign up for the self-improvement class which offers you a total balance of health, wealth, and happiness. Am I against any of these marketing courses? Not one bit! Actually, I am a strong advocate for all of them. However, let’s realign ourselves for a minute.

This time of year, for many of us, it’s the one chance we get to strategize because our businesses slow down just a touch. Therefore, it is the right time to reevaluate what needs to get done, both personally and professionally. Where many of us tend to fall short is that we end up in a never-ending cycle of self-improvement courses. Signing up for the latest ‘shiny object’ marketing course has a perverse way of making us feel productive, yet prevents us from bringing certain tasks to completion. This is where I would like us to take a moment to think harder.

The reality is this – we are constantly bombarded about the next get rich scheme, or the 20 year old billionaire who came up with a simple idea at a cocktail party among his fraternity brothers which then made him rich beyond measure. Do these things happen? Definitely. Is this what you should be striving to achieve? For many of us, the answer is a resounding no.

Therefore, let’s get back to basics. As much as it is not portrayed, much of wealth and financial stability is built upon daily, repetitive habits. The culture of doing something you like every day is very appealing. Heck, I personally strive for that. But let’s be clear about one thing – in order for me to do something I like every day, I must also do something I do not like... Every. Single. Day. That is the reality of it. No, it does not get very many tweets or shares, but it does build financial stability for my family.

Believe it or not, it builds something that is often neglected these days – character. The ability to learn a subject matter in depth brings a certain fulfilment that cannot be verbalized to the non-initiated. So to those of you who are taking a moment to slow down and ponder, do not get discouraged if you are not where you want to be... yet. Success, whatever your definition of it may be, is often times a long, arduous process. Many of the affluent clients I represent do not work in glamorous fields. However, with their success comes a wealth of life lessons that cannot be replicated in an Instagram. Remember that next time you start to lose steam.

*Continued on page 3*

## SPECIAL ANNOUNCEMENT

First there was Memorial Day in June, and this month is Independence Day! Despite the incredibly polar feelings generated by this new President, we hope everyone can put their feelings aside and remember that we stand as One Nation under God. Let us not forget the sacrifices made by countless of our men and women in service to this country. Keep the big picture in mind people!

Gen X, Millenials, and Generation Z are nicely moving along the demographic line, reminding us all of the inevitable... We are all getting older. At a time when social security is far from being a ‘sure thing,’ it is imperative that we learn about elderly planning, the subject of our small article this month.

In our book review, we are recommending *Contagious: Why Things Catch On* by Jonah Berger. There are many fun facts to learn in this book, one of which is learning how society creates a popular ‘it’ item. It is interesting to learn what makes a story go viral, how a product can pick up steam via traditional direct mail or YouTube these days. If you are in any type of business, you can learn a thing or two from reviewing our comments on this book.

If you need any estate planning advice and help, give us a call at 714-966-2646 today!

## IS THE U.S. THE NEW TAX HAVEN?

In 2009, the U.S. unfolded a tax scandal that would forever change the offshore 'planning' landscape. In the midst of it all, the world renowned Swiss bank UBS AG received horrible publicity. But, as the world of finances go, this ended up being nothing but a bad stint in UBS's history. However, for the rest of us, the repercussion of that event is felt to this day.

After the scandal, a group of the 20 largest developing nations came to an agreement – they would no longer stand idle to tax havens within their borders. Shell companies, numbered accounts and similar set-ups would no longer be a viable option. It started out slow, but as time progressed, the reinforcement of such laws and the banking cooperation have grown in time.

As powerful as the United States is to the financial world, it enacted what is now known as the Foreign Account Tax Compliant Act, which forced all foreign financial institutions to report the identities and assets of potential U.S. taxpayers to the IRS. You may say to yourself, "Well, if I'm not committing a crime, where is the problem?" And you would be right! But the intended theoretical effect didn't exactly play out in real life application. As a matter of fact, many, many Swiss banks simply turn down clients because the potential customer would be U.S. based.

Believe it, this is from firsthand experience.

What ended up happening is that the onerous required formalities became so burdensome, the danger of non-compliance so detrimental to banks, that no accounts, no matter how large, were worth the risk. Under the threat of losing access to the U.S. financial system, over 100 countries complied, and have done so to the detriment of their own shareholders.

Here is the irony of it all – now, all offshore money is moving into the U.S. jurisdictions such as Nevada, Wyoming and Delaware; which in turn have become financial havens for many foreigners. After all, under the U.S. forum, there is no fear of a coup d'état. There is a much more stable economic environment than many other places. Heck, they can count on the U.S. tax authorities not being compliant to any other governmental request.

When you boil it all down, the U.S. is demanding a standard from the rest of the world it refuses to apply to itself. This may not have been its intended effect (or it could just have been actually), but it is what ended up happening.

Now, foreign investors are coming in groves to park funds within the U.S. and benefit from its safe havens.

That is the latest update in the world of offshore practice. But do not lose faith. Should your primary concern be asset protection, offshore is still the way to go. If advanced tax planning is still a subject of interest in your business, offshore is still a great option. Intending to evade taxes a bit? Think twice my friend. We are in different times; one must play at his own peril.

Should you want to find out more about this universe, feel free to visit our website at [www.assetprotectioncenter.com](http://www.assetprotectioncenter.com); and ask for our complimentary CD!

### *Contagious: Why Things Catch On* by Jonah Berger.

If you are a small business owner, whether you want to or not, you are often thrown in the helm of marketing. Let's face it, without customers, your business would quickly become irrelevant. Coming from an 'old school' mentality, the mantra was always "if you do a good job, they will come." Well, business life doesn't always turn out that way.

Nevertheless, if you consider any type of marketing or promotion a bit... unnatural, you will love this book! *Contagious: Why Things Catch On* by Jonah Berger didn't become New York Times bestseller and recognized as the Best Marketing Book of 2014 by the American Marketing Association for nothing. This is a great eye opener for all business owners who want to make their business survive the competition of being known in the market. Ironic how his book caught on in the manner in which he describes how things become popular.

The book explains how things get renowned today – from a simple shared page, down to the most viewed video on YouTube. If you're wondering why a certain story gets viral without being published in an advertising agency, this book has the answers. This is not about advertising, though. This is about using the right content for your product or service for it to be a part of the online viral community.

People talk about a product not because they've seen it on TV or heard it over a radio commercial. Product promotion is no longer about prints and ads. The rumors about a product are no longer bound to what you see on billboards. Jonah Berger, a marketing professor from Wharton explains that people are influenced not by their friends but by viral videos, emails, and shared information in the internet.

In this book, Berger discussed the most viral product videos for the past years. He analyzed the basic principles on how products become influential among consumers through social transmission. We can apply these principles to our business campaigns and reach out to our target consumers effectively. This book guides us to create contents that matter. It helps us design messages worth sharing. With this book, you won't need expensive advertising agencies to promote your product. All you need is the right tools, proper content or message, and the appropriate platform or media.

It's a good book for startup companies that need good exposure in the field of marketing and promotion.

*Continued from page 1*

This is the idea in which I would like you to hone in this month and for the remainder of the year. If you haven't reached all your goals quite yet, understand that consistency will bring about the results. Maybe not in the timeline you would hope for, but it will come.

Don't forget to take the time to enjoy your family! It is summer, go out and stay away from those screens and monitors for a bit. Your kids are only young once, squeeze them every chance you get. On that note, I will very much follow my own advice.

As always, call us for any of your Estate Planning needs!

### *How Important Is Planning for the Elderly*

It is no secret, that due to the advances we have made in the medical field, we are unquestionably living longer lives, and definitely more so than our ancestors did centuries ago. Life spans have increased by at least a decade, and that number is only going to increase over time. While living a longer life is a blessing from the Creator (or medical progress, based on your personal beliefs 😊), it does come at a cost.

As we age, planning and saving for the future is becoming much more of an issue. Back in the mid 1930's, under Franklin Roosevelt, the social security act was created to create an economic flow to encourage a younger workforce, all the while enabling our elders to retire at a reasonable age which would enable them to care for themselves. However, it is no secret that the social security system is a failing one, and one must become self-reliant in his / her old age, without taking social security as your only means of retirement. Those who fail to do so could be at risk of living in poverty or near poverty. In fact, research has it that at least 4.3 million seniors will be living this way by 2022. You must take advantage of retirement programs to live comfortably when you are nearing retirement.

First (and again), don't rely on social security alone. It is a struggling system that cannot keep up with the growing number of elderly Americans. What's more, it is not accounting for the fact that we are living longer lives than what was once projected in 1935. It has been predicted that it will only pay out about 75% of the benefits by 2033.

Take advantage of the 401(k) plan, which is one of the best retirement savings tools to get from your employers. For those of you starting late, speak to your Financial Advisor, as there are programs that enable you to set-aside a greater amount to "catch up" without penalties.

Then, let us talk about a growing segment of the population. Those of you who are susceptible to what is known as a degenerative medical condition. This is referring to an illness which does not have a present day cure, but slowly gets worse over time. These are some of those health conditions – Alzheimer, Parkinson's disease, dementia, to name a few. It is quite certain you either know someone, or have a family member that suffers from such illnesses. If that is the case, do NOT be discouraged by the false notion that you must spend your own funds before qualifying for Medi-Cal. As a matter of fact, some individuals with assets as high as \$2 million can protect their life savings and still get Medi-Cal benefits.

As repeated ad nauseam in previous newsletters, preparing a proper Fully Integrated Estate Plan entails a lot more than tax planning for the affluent. It affects everyone one of us. Don't underestimate how the right estate plan can affect your life!

Otherwise, your hard-earned properties and assets could go to the wrong hands, such as people you did not select. A huge part of these could also be used in paying taxes. For help in estate planning for the elderly, contact us at 714-966-2646 today!

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— 2020 —

## Independence Day

This month we celebrate our Independence Day, also called The Fourth of July. It is one of the most patriotic days in the country, and it is also a chance for giving thanks to the heroes that made our freedom possible. To our troops that have served the nation – along with those still in service, how can we show support to our soldiers?

Let's fly the flag! Independence Day is the perfect time of the year to show our neighbors and other people in the community our patriotism and respect for the soldiers that fought hard in defending our nation to gain independence. It is also the best time to do community service or volunteer.

There is one thing we strongly encourage you to do - you can send handwritten letters to the troops. These types of small gestures can surely warm their hearts. In some cases, they even send back responses! You may also join the Independence Day parade with your whole family to show everyone how thankful you are for this freedom.

This summer promises to be a hot one! Make sure to use that sunscreen protection and we'll see you next month!