

HERE WE GO 2023!

January 2023

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



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*The first month of the year,
A perfect time to start
all over again, Changing
energies and deserting old
moods, New beginnings,
new attitudes”
- Charmaine J Forde*

Happy New Year dear Reader! Are you ready for what is set to be a tumultuous year? By all accounts by the talking heads and ‘experts’ out there, 2023 is going to be all over the place economically.

I don’t know about you, but I’m excited! We are entering the 19th year of the Asset Protection Center... But make no mistake, I am forever 30 years of age in my head I tell ya! 😊 Believe me when I tell you we have had some tough, tough years. Sometimes, too many to care to remember, times where we would work simply to cover the cost of keeping the lights on. We would spend what little funds we had available to continue learning about everything estate planning. Looking back, I would not change a single thing.

However, the reason I am sharing all this is not to toot my own horn, far from that! As usual, I would simply like to share some principles I learned along the way in the hope that you can use these concepts in your own business, whatever it happens to be.

Here is the first lesson I learned – During the struggle, what kept me sane was the *obsessive desire* to help my target customer – the family I represented! Not “How can I sell my widget?”. It is a certainty other firms and businesses are financially better off than us, but I can say without a shadow of a doubt that every single member of my team share the same obsessions, and it has helped us accomplish living a fulfilled life!

Ask yourself that question incessantly, you may be pleasantly surprised what answers you come up with along the way!

Here is another ‘pearl of wisdom’ I have learned representing very successful individuals as well. One thing that has stood out throughout the years, there was always that one feature that stood out in all the businesses these individuals owned...

Systems!

In a time and age where social media glorifies the exciting, dopamine filled activities, and never ending entertainment; the true entrepreneur behind it all always had systems in place. In reality, it even went a step further. The more successful the endeavor, the more likely that there was at least one, but often several mundane, inherently boring aspect to their industry that was the backbone of their empire. The better it ran, the more successful the business.

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INTRODUCTION

Happy New Year, 2023!

January: Sparkling winter sunshine, face all aglow, making resolutions, and angels in the snow – steaming cups of cocoa, a year that’s fresh and new...all of this is magic – unfolding just for you. The cold weather and the blanket of ice that sometimes fall outside in January make us crave the warmth inside our cozy little nooks. It is such a beautiful month and a beautiful beginning to the year.

Welcome to January – the month of new beginnings!

ON-GOING MEDI-CAL CHANGES FOR 2023

Are you looking forward to 2023? Have you made your New Year resolutions, including the one about going to the gym more regularly? I personally root for all people to remain healthy, because a healthy vessel enables you to be more effective in all walks of life. What saddens me is when I see the sudden drop in attendance in gyms come February. Would I be considered a forever optimist in hoping that this is the year is where the majority of us stick to our resolutions? Who knows... Like the great Anthony Hopkins once said in Meet Joe Black... "Lightning could strike!" 😊

But onward to more interesting subject matter, shall we? Yes, I can see your ears perk up, good ol' Medi-Cal, you can hardly hide your excitement! Well, be patient because this should lay out some good news to start off the year. After a tumultuous financial 2022, I believe I speak for all of us when I say that we could all use a bit more certainty in our finances. We have little control over the cost of food prices and daily expenses, but we still manage day-to-day. However, none of these overheads can wipe you out like an unforeseen medical bill, so it is imperative to know and understand the lay of the land when it comes to Medi-Cal.

Thankfully, the changes discussed thus far all look positive. In CA, 70% of Medicare beneficiaries receive Medi-Cal benefits. Falling in this category are individuals called Dually Eligible Beneficiaries. As those of you that are implicated know, the handling of the yearly maintenance of these plans is... painful. Well, this should be coming to an end soon thanks in part to the Department of Health Care Services (DHCS, and CalAIM (California Advancing and Innovating Medi-Cal). The manner in which this will assist you is that a standard enrollment with consistent managed care benefits will now be streamlined.

So on top of having less confusing paperwork, the billing will be simplified moving forward. The 'order' in which billing will take place will remain the same, meaning Medicare will remain primary, and Medi-Cal coverage will continue to be secondary. How this will assist you is that there will be less improper balance billing. Your medical provider will be less likely to double-bill and leave you with an unwanted invoice.

Though it may not seem like a big ordeal, I believe the enrolling of this plan will cause you to notice lighter medical payments over time. Thankfully, this is only one of the changes taking place that DHCS seeks to implement from 2022 to 2027. Another benefit is the additional asset increase allowed for potential Medi-Cal recipients, moving to \$130,000 for single individuals, to \$195,000 for married couples.

These small changes hopefully will put a smile on your face. Let us stay optimistic for the upcoming year, keep our workout resolutions 😊, and stay the course! Of course, don't forget to call your favorite attorneys at 714-966-2646 to make sure everything is looking good for your estate plan needs!

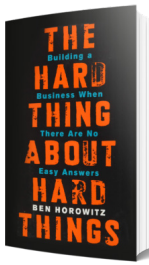
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As we start the new year, you may want to spend some serious time contemplating what key aspect of your business can be automated, and have it run to perfection. Not only will it alleviate pressure in your day-to-day, in the long-run, it will provide you more free time to be creative and have an even greater impact on your customer!

As a firm, we have no idea what 2023 has in store for all of us! Truth be told, yes, we are a bit nervous. We are a small outfit, but we are confident in the value that we bring. And thus, we remain confident in facing the upcoming changes heading our way.

The question is... Are you ready?





Ben Horowitz: The Hard Thing About Hard Things

Every aspiring CEO and entrepreneur should read Ben Horowitz's book, "The Hard thing about Hard things." Ben provides real-life examples from his experience as a CEO who was on the brink of bankruptcy before bouncing back to sell his company for \$1.6 billion. Ben discusses the lessons learned

about managing the various difficulties a CEO has in terms of strategy, people, product, market, sales, and finance. He is forthright in admitting his errors and offers advice on how to approach a situation like this in the future.

Ben was recruited to handle the e-commerce platform when Netscape was sold to America Online (AOL) after a few years of survival, with Marc Andreessen taking over as CTO. The company AOL was more interested in being a media company than a technology one. Ben and Marc began formulating fresh concepts and considering starting a new business. More conversations brought them to the idea of "Computing Cloud." Data from non-smart devices was sent to the cloud in order to make them smarter by adding the complexity of routing and billing.

Funding was not an issue because Marc was familiar with all the leading venture capitalists in Silicon Valley. They persuaded Benchmark to make a \$15M investment at a \$45M pre-money valuation. Marc contributed an extra \$6M, and eventually the company was valued at \$66M overall. Marc was going to take over as the board's permanent chairman. Ben was named CEO, and Tim was named CTO. Loudcloud was operational. Within 9 months, \$27M worth of contracts were inked, and the team relocated to a posh new office with a three-story building, called "the Taj." Silicon Valley was booming, and Loudcloud was hailed as "Marc Andreessen's second coming."

Then the massive dotcom crash followed. The Nasdaq dropped from over 5000 points to around 1200! The entire \$66M that Loudcloud raised was used to provide the best cloud services and provide support for its rapidly expanding customer base. Despite the need for more funding, they were nevertheless able to raise \$120M at a remarkable pre-money valuation of \$700M. The sales projection for the quarter was \$100M, and everything seemed to be going well until they ended with \$37M. The effects of the dotcom bust were evident. The market was very erratic. The share price of the stock fell to \$2. Then 9/11 occurred. Exodus, its biggest rival, declared bankruptcy despite being valued at \$50 billion the year before and having raised \$800 million in cash nine months earlier. Ben once posed a different query to himself: "What would I do if we filed for bankruptcy? The response shocked him. Ben immediately started looking for a buyer for Loudcloud, saying, "I will separate the Software, Opware which operates Loudcloud, out of bankruptcy and start a Software firm." The prospective buyers included Cable & Wireless, EDS, and IBM. Ultimately, Loudcloud was purchased by EDS for \$63.5M, and EDS assumed all of its obligations. Ben established a software company while keeping the Opware IP. EDS would spend \$20M on Opware's license in order to use it for Loudcloud. Opware was created.

Opware eventually grew to be a \$150M company. Stock price increased from \$0.35 to \$8, and the market capitalization was almost \$800M. "Virtualization" is a new technology trend that has entered the market. The success of the cloud computing business model may be made possible by this technology. Opware was up for sale by EMC. Despite the stock price reaching \$9.5, Ben disagreed. In the end, HP offered \$14.25 per share after BMC initially offered \$14 per share, culminating in a \$1.65 billion cash deal. This book tells the inspiring tale of Ben Horowitz, who created something from nothing, watched it crumble to nothing once more, and then rebuilt it into a \$1.65 billion success.



Fighting Climate Change with the Artificial Intelligence

Global environmental, social, and economic systems are significantly impacted by climate change. The rise in the global temperature and its effects must be kept to a minimum through mitigation measures, such as achieving net zero emissions by 2050. The fight against climate change can be aided by artificial intelligence (AI). Making substantial change at this crucial time will require applying AI to climate concerns. AI can be used to improve energy grid operations by assisting with electricity demand forecasting, accelerating efforts to combat climate change by optimising supply chain networks to simultaneously lower the energy required and the expenses incurred to carry people and freight around the world.

A vast number of variables must be taken into account when modelling extreme weather events, and AI is well positioned to account for this complexity because of its capacity to collect, process, and analyse big datasets. It can be used for long-term predictive modelling of local climate events and early warning systems, enabling stakeholders to adopt a more data-driven approach to climate adaptation. Another interesting example is using AI to forecast and prevent wildfires. It provides interactive mapping of high-risk areas and uses fire-spread algorithms to track the progression of fires in almost real-time, guiding resource allocation and long-term plans for sustainable forest management.

These recent advancements in utilising AI for climate adaptation have the potential to increase everyone's access to climate insights. Something that is required everywhere, but especially in the Global South, where access to technology is limited and, coincidentally, where the risk of crime is highest. As a result, AI has the ability to lessen the gap between technology access and adaption demands. More work needs to be done to improve equitable involvement in and access to the development of AI for climate adaption. Let us see where the future takes us.



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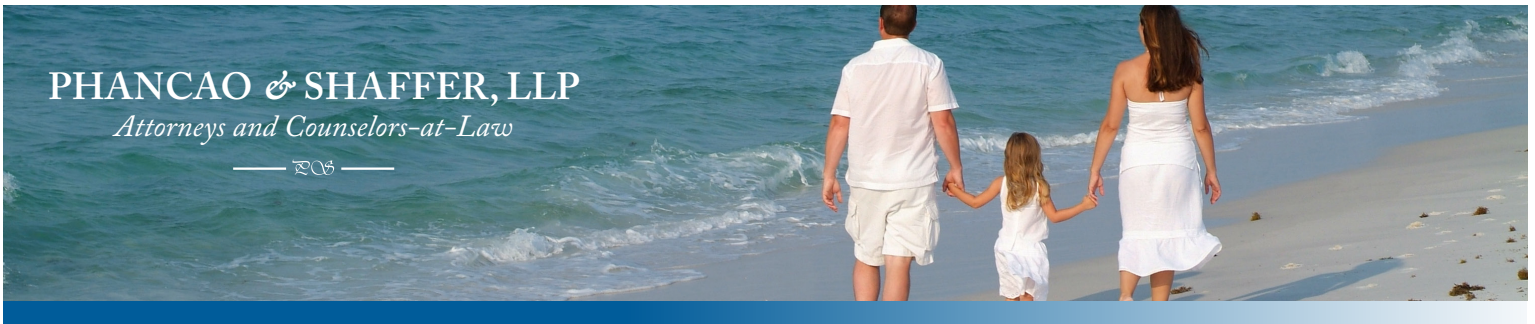
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January is a month of spiritual rebirth and new beginnings. Humans have a bad habit of carrying around things from our past, primarily negative emotions, which significantly lower our spirits. You cannot welcome something new unless you let go of your outdated and distasteful thinking habits. We have a lot to look forward to this month and this year, it is clear. And let us never forget where we started as we advance, as we bound towards 2023 with vigour and agility. The first step was to acknowledge and invoke grace. We have started out on a good note.



Welcome January – a time of quiet and new beginnings – the perfect time to reflect on how you want to live your life.

“January is my favorite month, when the light is plainest, least colored. And I like the feeling of beginnings.”