

HOW TO AUTOMATE YOUR PATH TO WEALTH

September 2023

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



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HIGHLIGHTS IN THIS ISSUE

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“By all these lovely tokens
September days are here, With
summer’s best of weather And
autumn’s best of cheer.”
- Helen Hunt Jackson



We are entering the ‘colder’ days of California. It sure doesn’t feel like it right now. Actually, I remember a few years in a row where the weather was still incredibly hot even into November. No complaint on my part, I tend to run cold, so CA weather suits me just fine. My business partner on the other hand, is always looking forward to those cold winters. He says it reminds him of his childhood in Europe. Well, I’m not sure he’s in the right state then! 😊 Let’s talk about the possibility of living a less anxious life, shall we? When I say that, I am not referring to #mentalhealth, which is somehow becoming a topic of conversation in the media these days 😊. No, I am referring to the ability to develop the skills required to live a more streamlined lifestyle. One where your personal needs, your professional obligations, and your moral values are aligned. In order to accomplish such a lofty goal, it is imperative that we look at the big picture in an objective manner. If you think about it, there are only a few things that impact you on a deep level daily – your health, your family / friends, and your finances. Get these three pillars right, you will notice a drastic change in your inner peace.

The benefits of working out have been discussed ad nauseum, not just here but in articles and podcasts across the board. Thus, you know what to do! However, you can add a much more meaningful impact to that routine by cleaning out your diet. Without a healthy body, the ‘machine’ that keeps you together, none of the other matters in your life can be tackled properly. Thus, make sure to have this be a portion of your schedule every single day.

When I was younger, I remember looking at my parents and thinking they didn’t have that many friends. The reason is they appeared to hang out with the same people all the time. Well what do you know! History may not repeat itself, but it sure does rhyme! As I find myself getting older, I notice my own circle of friends to be the same. Unlike when we used to go to school, being a working mother does not allow me to meet new people all the time. However, the people I do run across, I tend to have much deeper connections with, and I’m quite satisfied with that!

Lastly, the one area of life that may take a bulk of our time on a daily basis – finances. As it should be, as it is where your ability to learn and grow personally also collide, this is where you learn and develop as an adult. When you boil it down to a formula, see if you can focus on the following – debt management, budgeting, real estate, and retirement. Of course it is easy to discuss them so succinctly on a piece of paper, the execution of what that resembles in real life can get messy! That is nevertheless no excuse to not make a true assessment of where you are, where you want to be, but most importantly; what you need to go to get there.

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INTRODUCTION

Each new month resembles a mini fresh start, but September is unique. We are prepared to put on a warm sweater, light a candle with a fall theme, and guzzle copious amounts of hot cocoa once the calendar turns to September 1st. Well, truth be told, California may be a bit of an exception, but the idea remains! 😊

September exudes optimism. We turn a fresh page, bid farewell to leisurely summer afternoons, polish our pencils, and get ready to return to work and / or school. It’s a 30-day break before the holiday rush, a little respite between summer and autumn, allowing us time to reflect. We tend to ‘attack’ September with enthusiasm. People are definitely back in work mode, however they know the Winter holidays are coming around the corner. Thus, it motivates everyone to stay diligent and keep it... business. And we are all for it! Do you need to tighten up your budget to meet your financial goals? Are your estate planning documents in order? Are your corporate minutes handled for the year? If so, congratulations, you’re one step ahead of the game and we encourage you to continue striving forward. If not, you know how to reach us!

“Hello September, please be a good month that brings smiles and happiness to our lives.”

THE POWER OF DECANTING A TRUST

Another lifetime ago, I remember going to interviews to get a legal job. With an optimistic attitude and a nice fat student loan on my back, I knew I had to get serious; adulthood and responsibilities were knocking at the door! The days of Biden Student Loan Forgiveness was not quite an option at the time. What I would give to be part of the Gen Z era People! 😊

Anyhow, the economy was in a recession at the time, and opportunities were not abundant. Maybe because of age or lack of funding, the idea of striking it out on my own didn't seem quite an option yet. Be it as it may, I was confident, and knew that all I needed was an opportunity to interview. I mean, who could resist the French charm, right? Well, it turns out, quite a few 😊. Slightly joking, but what ended up happening after countless interviews, I was offered a position as an insurance defense attorney... Yes, my thoughts exactly! I mean, I was willing to be flexible, but talk about a downer. For the first time, I felt that starting my career in that arena would have me stuck in that field forever. From all the past attorneys I had spoken to up to that point, whatever practice you enter usually turns into your career. I didn't know it at the time, but that advice simply wasn't true. Nevertheless, this was the first time I 'felt' that this would be an irreversible decision.

Creating an Irrevocable Trust may feel that way for clients. The idea of creating an instrument where you can no longer change your mind is a scary proposition. Well, once again, that notion isn't quite true for a myriad of reasons. However, let's focus on one technical clause you can insert in a trust that will provide you / your beneficiaries that much desired freedom to change your mind – decanting power. Let's start with a basic definition, decanting is the ability to distribute trust property onto another trust, whereby you can change certain terms of that original trust. In other words, it adds flexibility to irrevocable trusts. It can correct something as simple as a scrivener's error, change some provisions, clarify a position, and so forth.

Naturally, you want to be cognizant of certain factors. At the foundation, ensure the trustee has the proper authority to do so, whether by express verbiage or by common law and / or statute. If a state doesn't allow you to do so, a work-around is changing the situs of the trust to one that is friendly to decanting laws. Another 'basic' is to clarify that the trustee is protected no matter the decisions he / she makes on behalf of the trust and its beneficiaries. Not doing so would create a situation where you would be hard pressed finding someone to agreeing to becoming a trustee.

When using the decanting power of an irrevocable trust, you have to watch out for any potential tax falls. Changing a beneficiary, releasing a general power of appointment, those are technical issues to be watched over by a professional. Lastly, do not commit the unforgivable sin, the Grantor cannot be involved in the decanting provision of the trust, or you will have what is called a self-settled trust. And take it from me, like the Gen Z kids say these days... You don't want that smoke!

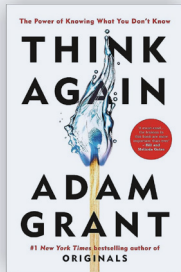
In case you were wondering, I didn't end up taking that job! That decision caused me to be jobless for another two months. It did feel like the end of the world back then, but what do you know, I made it out after all! What transpired afterward was a long series of crazy adventures when I represented an affluent client that had trouble with the IRS. Are you interested in finding out more about that story? Reach out to our office and ask for our complimentary book "How To Prepare For Life's Unknown", where I share that part of my career 😊

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When looking at your life in this lens, you will be pleasantly surprised how less anxious your day-to-day can become. Suddenly, all the commotion falls in certain buckets, each activity will eventually lead you to your objective, and you either win or learn, right? You can attain this approach by having the right mental attitude, and making sure that you 'check in' with yourself at least once a month. Having a mental direction takes a lot of stress away, and it provides you mind map on a daily basis.

May you have a prosperous month, keep your head down and keep working hard! As your family advisors, we are here to serve you!





ADAM GRANT
Think Again: The Power Of Knowing What You Don't Know

The objective writing, fascinating experiences, and thorough research in this book will aid readers in considering how strongly they hold their own opinions.

The critically acclaimed author of “Give and Take” and “Originals” explores the skill of rethinking: how to challenge your assumptions and broaden people’s perspectives in order to position yourself for success at work and wisdom in life. Thinking and learning skills are commonly associated with intelligence. However, there is another set of cognitive abilities more applicable to today - the capacity to unlearn and rethink. Too many of us choose the comfort of certainty over the discomfort of uncertainty in our daily lives. Instead of listening to ideas that make us think, we listen to opinions that make us feel good. Instead of seeing conflict as an opportunity to grow, we see it as a threat to our egos.

While we ought to be drawn to those who challenge our assumptions, we tend to surround ourselves with people who share our viewpoints. As a result, our beliefs become brittle before our bones do. We think too little like scientists seeking the facts and too much like preachers defending our sacred beliefs, prosecutors proving the other side wrong, and politicians seeking support. Since being intelligent can actually make us less capable of reconsidering, intelligence is neither a panacea nor a blessing. The more intelligent we are, the more unaware we may be of our own limitations. Think Again demonstrates that we don't have to accept or internalize everything we think or feel. It's a call to let go of ideas that are no longer helpful and to value intellectual flexibility over irrational consistency. If knowledge is power, surely knowing what we don't know is wisdom.

The more intelligent you are, the easier it is to become overconfident and the more difficult it is to see your own limitations. Not being incorrect more frequently is the aim. It's to acknowledge that, more often than we'd like to admit, we're all in over our heads, and that the more we reject it, the worse the hole we dig for ourselves. You should adopt a scientific mindset in order to check your overconfidence. This entails viewing your theories as hypotheses that need to be tested and then tested again. Defining who you are in terms of your values rather than your beliefs is beneficial. People frequently feel that admitting they were mistaken about an opinion is a form of self-deprecation. It will be much less intimidating to change your viewpoint if you detach your opinions from your self-concept and instead identify with qualities like curiosity and adaptability.

20-YEAR
 ANNIVERSARY GALA

STANDUP FOR KIDS - O.C.



Join us in celebrating 20 years of serving at-risk and youth experiencing homelessness in Orange County. Our 6th annual Gala, hosted by 24 Carrots Catering & Events, Southern California’s premier catering and events company, will include a night of dinner, drinks, a silent auction, speeches, and entertainment by 10X award-winning band The Lucky Devils, and more!

Help us reach our goal of 200,00 to support our mentoring programs

TIME & DATE

Friday, September 22, 2023
 6:30 pm - 11 pm PDT

LOCATION

The Colony House
 401 N. Anaheim Blvd
 Anaheim, CA 92805

Contact
 justines@standupforkids.org
 for sponsorship information

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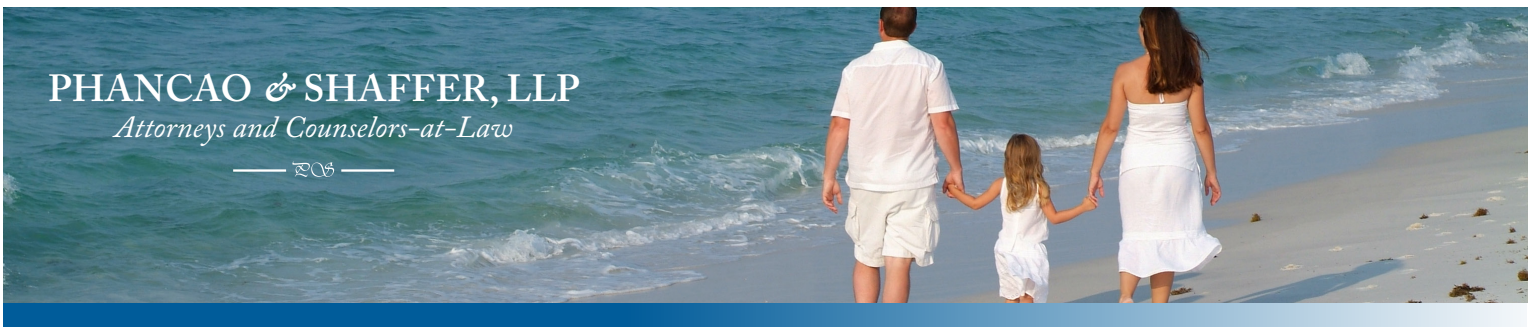


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Patrick P. Phancao
&
Shadi Ala'i Shaffer



As summer ends and we say goodbye to the lazy afternoons spent doing nothing, September may be one of the months that evokes the most nostalgia. Although a new season is upon us, it is not a new year. Before we realize it, it is time to carve our pumpkins, then the turkey, and then we must leave for the farm to cut down the ideal tree.

September marks the end of summer and the jovial beginning of the full-on autumnal festivities. Not to mention cooler nights that are ideal for bonfires. Living in CA, we often take for granted that we can still spend a bulk of the upcoming months outdoors. Another reason for us to be grateful, another opportunity to look at life on the bright side!

“September has come, it is hers
Whose vitality leaps in the autumn,
Whose nature prefers
Trees without leaves and a fire in the fireplace.”

