

## SIMPLICITY AS A MEANS TO EFFICIENCY

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



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*Don't tell people how to do things, tell them what to do and let them surprise you with their results.*

*- George Patton*

Let's face it, we are in a time where our attention is being pulled in every direction. And I mean, every direction! The average person deals with – work, family, social life, social media, content creation for business, and the list goes on. The notion of boredom, even for a second is a memory of the past for many. If you happen to wait in line next time, look at how many people are on their smart device. Have you gone to a restaurant lately? Have you noticed the number of conversations that can take place at one table? One with the people they are sitting around, one with the texts coming through the phone, and one via social media because, after all, what would lunch be if you didn't Instagram that salad of yours? 🙄

Though technology is great in so many ways, this is one where your brain's well-being is literally being put in danger. Unfortunately, not enough time has lapsed for us to know the dangers we have created to ourselves, not enough studies have been done; but I would venture to say, this is not the right path.

You heard of the show on Netflix on Marie Kondo, the minimalist Japanese Lady whose built a reputation for herself by creating a simpler home? One that runs on efficiency and less accumulation? The reason I believe it is picking up so much momentum is that there is a shift in our culture happening now. We realize that the age of materialism has not brought fulfillment the way we all thought it would. Thus, something has to change.

If you look at her track record, though a few relapses, the majority speak of a much more enjoyable home life experience. Well, what about applying that philosophy, but to your life as a whole? Warren Buffet is famously known for saying “Write down the 20-25 things that bring you enjoyment in life. Now take that list, slash it to 3-5 things, and dedicate your entire life to those tasks”. The idea behind that is that you will get much more out of going deep in few subject matters.

If you are honest with yourself, your work efficiency may be compromised by a good chunk of time dedicated to distractions – e-mails, slack, social media posts, etc... The time it takes for you to look and respond to every interruption and get back to your work drains you mentally of your creativity. Your phone may be filled with countless apps that constantly have you 'busy' checking on what everyone else is doing. Yes, you may get a short dopamine hit every time you do it, but that distraction is costing you concentration time that could be spent building your future.

The internet has become a time sucking tool that could compromise your talent in many ways. If you make a concerted effort to get back to simplification, focus time; you may be amazed at the result you could produce.

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## SPECIAL ANNOUNCEMENT

Another beautiful month in Southern California! We hope this July, and more importantly the 4th of July will be an opportunity for you and your family to take some time off! School is officially out, kids are enrolled in summer activities, business may be a tad bit slower; and hopefully you are squeezing in some 'me time' in the midst of it all. And, like me, if you are no history buff, we will look into some interesting facts about our famous Independence Day.

Have you ever thought about the concept of minimalism? Though often talked about in the home environment and made popular by the ever so talked about Marie Kondo, what about its philosophy in the digital and personal life application? You will get to see one of our Partner's take on it and you may find it interesting.

For this month's book review, we will look at Shane Snow – Smartcuts: How Hackers, Innovators, and Icons Accelerate Success. There is no substitute for hardwork. As you can tell if you have been with us for any length of time, everyone in this office adheres to that belief. However, that does not lend itself to having to work in an inefficient manner, and that is what this book is all about! We will also be looking at the changing dynamics of what is considered a family unit. This may open your mind as to what society now calls a family.

During this “time off,” if you need help on estate planning or asset protection, contact us at 714-966-2646, or as always, visit our website at the AssetProtectionCenter.com today!

# ONE TOOL TO MAKE YOUR LLC MORE BULLET PROOF

By now, if you have been a client of ours for any extended period of time, you are well aware that we are strong advocates of LLCs. If advising a large company, the usual recommendation is to go for an Inc., taxed as a C-Corp. This carries more formalities, double taxation, but it nevertheless carries some great advantages as well. However, what about the small business owners? Isn't there a way he / she can acquire some of the same benefits without the "baggage?"

This may be your lucky month to find out how the LLC can indeed provide you that benefit. You will also learn how by adding this little clause in the Operating Agreement, you can further protect your personal and family's well-being in the process.

As discussed in previous articles, a Limited Liability Company (LLC) is a great legal entity that enables you to start a business and limit the exposures that come with owning a business. Furthermore, on a tax filing perspective, filing as an S-Corp. facilitates your accountant's filing forms. Heck, sounds like a great solution to us, don't you agree?

Yet, there is something you can do to protect your assets by taking it one step further. Within an LLC, it will be important for you to establish the role of who should be a General Partner vs. a Limited Partner.

As its name implies, a General Partner will carry the 'general' duties, which include the day-to-day decision making, the running of the operation if you will. It is a position that is necessary, and often times implicated if not clearly written down. The issue with a General Partner is that this particular individual may be considered personally liable for the mistakes of the company.

A Limited Partner on the other hand, may be responsible for the required investment of the business. Though burdensome initially, that individual would not be required to participate in the managerial tasks that are involved in the business. To the contrary, often times, the initial capital is all that is required. The benefit is that in the event of a lawsuit, it will be clear that such individual would not be responsible for the business' actions nor exposing any further personal assets.

When creating an LLC, it is of great benefit to go ahead and formalize this agreement in writing... "Wait a minute," you may ask. "How can you minimize the role of the General Partner?" Great question! After all, the one without the funds may be willing to be the one to run the business, but that doesn't mean that person is any more thrilled about putting his / her personal assets at stake, no matter how small they may be. Thus, what would be a good solution?

Take the drafting of the legal documents one step further. Make that General Partner another LLC, whereby its duty is clearly defined as a managerial consultant, and you may fund that LLC with minimal fees. And like the French say, "Voila!"

Yes, such documentation does require more preparation and legal fees. However, if you are serious about creating a solid business, it is well worth the initial investment, because the on-going benefits of such a set-up can be carried on for years. Not only that, the consulting LLC need not be limited to a single business. If you are the entrepreneurial type, you can use it for several businesses. Thus, making it well worth your investment.

There you have it! A succinct yet solid approach to creating a stronger LLC when undertaking a new business. We hope you enjoyed this tip of the month. Now go out there and start your business!... And in case it wasn't clear, feel free to call us to assist you in the process 🍷.

### Shane Snow - Smarcuts: How Hackers, Innovators, and Icons Accelerate Success

This book is an ambitious piece that proposes the idea of a new and best way. Snow says that 'when to do something' is more important than how long you have been doing that something.

In the book, Author Snow also encourages us to think about newer ways of doing things, but notes that his ideas are not about shortcuts in its commonly used definition.

He highlights ways of hacking the manner in which to undertake old problems in a new light, which he believes is the mindset of successful people, and it's what gets them to the places or positions that reflect a successful outcome. Here is an analogy you may relate to when it comes to exponential growth. Think of the business you are in. If you wanted to double your business, a simplistic approach would be to work twice as hard. This may help you reach that number, the manner in which you achieve it would be rather... onerous. Here is another way to think about the problem - imagine you had to grow your business by a 10x factor. At this point, you no longer have the option to think in a linear manner, but rather exponential. By doing so, not only do you have to take yourself out of the equation (since working 10x harder is not realistic), but you would then focus on system implementation. Over time, this would lead to better results at a faster rate.

Therein lies one of the thinking tools you can use for the month!

While success still needs luck and a lot of hard work, smartcuts by Snow can help us increase our luck and do the work easier than before.

Snow further analogizes business through the metaphor of 'surfing' the right waves. Just like surfers find luck being 'in the right place at the right time,' successful people and companies are good at positioning themselves in the right place at the right time as well.

They don't wait for an opportunity to come but rather seek it out. He emphasizes that some groups and people are great at pattern recognition or looking for manners in which to simplify tasks, helping workers do a better job at recognizing a business' inherent pain point(s).

So if you're looking for big results, you might want to read this book and find how conventional wisdom may not always be the answer. Quite the contrary, original thinking may catapult you into success despite working in an 'old' business.

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The "Keeping with the Joneses" (not to be confused with Keeping up with the Kardashians 🙄) is now available to you 24 hrs / day through your handheld device. Bring your life back to simplicity. Work hard within the few arenas that bring you joy and see how you feel after a month of just doing that.

The initial struggle you will feel may well be worth it, not just for your state of mind but overall happiness. Use this summer to experiment with things like that. You may be coming back to work with a much greater drive and determination!

### *Nuclear Family, Ideal Unit No More?*

#### *A Few Reasons Families Transitioned*

*Our society has undergone a tremendous amount of changes in the last decade alone. The #metoo movement, the LGBTQ stand on an individual's sexual preference and / or gender, and the list goes on. Irrespective of one's political affiliation, the modern family has little to no resemblance to what was once called the nuclear family back in the 50s. It was when the economically stable, child-centered and male-headed families were the ideal family unit. It was the norm model for many Americans, but times are changing.*

*The transition was credited to the changing and expanding role of women in society, education and workplace. Many married women were also able to enter the workplace with the rise of the post-industrial economy. According to a source, about 33% of middle class women were working jobs in as early as 1960, resulting in smaller and more diverse families in the 60s. However, for whatever reason, that voice still remained unheard for the most part. It started to create a movement, but one that took decades before seeing its impact in a significant manner.*

*American households are now represented only by a small percentage of female homemakers and male breadwinners. Modern families also view marriage differently today. About 62% consider it as a union in which the couple both work and divide household duties and childcare evenly. Though this may seem rather normal, such was not the case a while back. To expect a mother to stay at home while the dad went to work all day was not sexist. To the contrary, you would have been looked at strangely for challenging or wanting to change that practice.*

*Over time, two-earner modern families became the new norm. Women in modern days are now put on equal footing with men in the workplace ☑ Well, maybe verbally, but income discrimination still seems alive and well ☑ In fact, the US Department of Labor revealed female workers are dominating almost 50% of the labor force.*

*Also, there are declining birthrates and marriage, while there is an increase in divorce rate. Birthrate, for example, dropped to 50% versus the 60s, hitting its lowest in 2012.*

*These changes in the structure and functions of family members have contributed to the transitioning of families from an ideal to a diverse one. Definitely, nothing in the world is permanent. We just have to accept change and adjust as it presents itself - even in the smallest unit of the society called family.*



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&  
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### Tidbits about the Fourth of July

July is the year's informal manner of announcing itself that summer is in full force! June gloom is a thing of the past (and boy has it been with us last month!), kids are definitely enrolled in summer camps, and people are ready to head to the beach! However, let's take a brief look into our history shall we?

On July 4, 1776, the US proclaimed independence from England by adopting the Declaration of Independence. It is an annual Federal holiday when libraries and schools are closed. Well, it better be, school is out anyhow! But then again, we are referring to summer school in this instance 🙄

If it falls on a weekend, the following Monday or the previous Friday will also be a holiday. By the 1870s, it becomes the most significant of all secular holidays and soon gets transformed into what we now call the "Fourth of July." This is a perfect opportunity to slow things down a bit, enjoy time with the family. Take the 'dead' time to work on your business, rather than in your business.

How do you plan to celebrate this year's Independence Day? Regardless of how you plan to spend this joyous holiday of freedom, enjoy and make it worthwhile!

