

## WHAT ABOUT MARKETING?

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



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*Keep your fears to yourself,  
but share your inspiration  
with others.*  
- Robert Louis Stevenson

It does not matter what business you're in, marketing is at the core of any successful enterprise. Unfortunately, when you think about it, there are not too many (real life) educational courses on the subject matter. Some of the best MBA programs in the nation focus on branding, i.e., Coca-Cola, FedEx, Nike, etc... The truth is the majority of businesses in the U.S. do not relate to this type of messaging at all. For one, small businesses cannot afford millions of dollars being poured into marketing that does not provide a concrete ROI (Return on Investment). Second, name recognition is not what most of us are in our industry for, but rather it is about client acquisition.

Thus, the question becomes, what can we do about this?

Well, lucky for us, the information available out there is plentiful. But with the amount of information available on the web, you have to choose very carefully what sources of knowledge to follow. The major distinction you want to make is the following – with small businesses, you must be able to track the success of your marketing. It is that simple.

Invest in your knowledge, spend time reading and absorbing the wisdom. However, get familiar with this concept ... test everything! If some 'guru' boasts about his pay-per-click conversion, test it! If a marketing firm promises at least 2 clients per month, test it! Stay open minded and keep the heart of a student. But, if you give it a timeline and it does not work, you have to stay disciplined, cut ties and move on.

I have had many businesses discuss the notion of 'burn out' on marketing. Fatigue as a small business owner is real. The profit margin at times may seem so low, it makes you wonder whether all the hard work is worth it at times. But again, as with everything in life, the attitude you bring into it is crucial. See, as attorneys, marketing is often looked down upon by our peers, the Bar, and other fancy regulated agencies. You must learn to ignore the naysayers!

More importantly, you must learn to trust your mission in your profession. That should be a quote! But when we started, we really took it from an educational standpoint. We asked ourselves, as non-attorneys at one point, we knew, understood, and felt the pain of many of our customers. So, we simply decided to reverse engineer the experience and provide everything we would have wanted to see in a firm. Knowledge, friendliness, and predictable cost were high on our list.

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## SPECIAL ANNOUNCEMENT

Believe it or not, summer is coming around the corner. How is the year treating you? If you have been diligent about setting your yearly goals, then hopefully the fruits of your labor should be showing some progress right about now. An incredible and inspiring person to keep you going will be our book of the month, Arnold Schwarzenegger – Total Recall. Whenever you feel that the odds are against you, there is always someone that has it tougher than you. For Schwarzenegger, not only was his rise to stardom full of obstacles, but the will he demonstrated to surmount them was something we can all learn something from.

Then, if you're lucky enough to have played your cards right, you will have a little bit of savings in your account. If that's the case, you will enjoy this month's goal investing, which is a spin from the typical 'financial investing' you always hear about. As we have preached ad nauseam, your financial and legal affairs are intertwined. By focusing on one, you will inevitably drawn to the other. Take in your own hands what our educational system has failed to do, become a student of law and finances. The resources are there and there are no more excuses!

And on that note, we want to wish you a happy upcoming Memorial Day!

As always, for help in estate planning and asset protection, you can contact us at 714-966-2646. If you are the shy type, you may also visit us at [www.assetprotectioncenter.com](http://www.assetprotectioncenter.com) today!

## WHAT IS FOREIGN EARNED INCOME EXCLUSION

People often come to talk about tax planning. There is absolutely nothing wrong with that. Actually, it is your duty to try and minimize your tax exposure. However, when you start mentioning offshore asset protection, it is people's tendency to let their imagination run wild...a bit excessively at times 🙄 But, truth be told, the planning aspect of it is neutral in terms of taxes. However, if you have a leniency for adventures abroad, then you could qualify for what is called the Foreign Earned Income Exclusion.

Initially, it may appear simple “work abroad, and you do not have to pay taxes.” But then, how would attorneys get paid? 😏 Thus, the basics may be simple to grasp, but the complexity increases based on the fact pattern the client finds him or herself in. Let us look at the overview of what FEIE entails.

First, there is what is called the Physical Presence Test. Quite simply, this applies when an individual is out of the United States for 330 out of the 365-day period. Another clarification point is that it does not need to be in a single calendar year, any 12-month period should do the trick. As of 2019, the exclusion amount is \$105,900. Thus, unfortunately, anything above that dollar amount, and you will have to pay federal taxes on that amount.

Then, there is what you call the Residency Test. First and foremost, to qualify for this, you must go through the Physical Presence Test. Only after that hurdle has passed, can you look into the Residency Test. This gets a bit more complex. What you have to do is move to a city and demonstrate that you plan to make it home. Here, a person's intent is the biggest factor. As you can imagine, an audit for “intent” is a rather complex thing to put together.

Thus, the IRS, in its infinite wisdom, elected to have the individual compile a litany of evidence to demonstrate the move is permanent. As you can tell, interestingly enough, the burden of proof is on the individual to earn the FEIE tax position. Here is an example where you could get challenged. Imagine you have a work assignment for a three-year project abroad. However, because you like it so much, you decide to go ahead and move all your belongings abroad. However, aware of your contractual obligations, the IRS could simply decide that your proof of ‘intent’ would not suffice in this particular scenario. Simply put, the desire to minimize taxes by going abroad isn't going to be handed to you. It would literally have to be earned and proved up. This is just a single component of the offshore world, the rabbit hole gets deep and complex fast. However, it is a fascinating universe, and one that you can learn a lot from if you have the inclination.

As always, we seek to make it as accessible and easy for you to understand as possible. We have books, CD's and countless articles on the subject matter. If this is something that triggers your interest, by all means, reach out to us at [www.assetprotectioncenter.com](http://www.assetprotectioncenter.com), or simply call us at 714-966-2646. You know we are the only attorneys in town that don't bite... hard 😊.

## Total Recall

### Arnold Schwarzenegger

It is a challenge to talk about Arnold Schwarzenegger, because he has done so much in one lifetime. Though most people would associate him with being an actor, he is / was also... a bodybuilder, an entrepreneur, a politician, and an author. Those are just some of the things he has undertaken... in one lifetime!

Schwarzenegger had a rough upbringing in Austria, aspiring to become a bodybuilder in order to come to America. Well, as you can imagine, coming from a conservative background, his parents and peers could never understand him. Bodybuilding as a profession was as foreign and unlikely as saying you wanted to be an astronaut. But that never dissuaded him, and he continued his pursuit.

Once in America, most people would have settled on this one profession, maybe parlaying his Mr. Universe success into gyms or similar business ventures. No such thing for Schwarzenegger. He elected to become an actor. At the time, the likes of Al Pacino and Andy Warhol, etc...were considered the sex symbols. Hollywood was into 'small.' Needless to say, his Austrian accent didn't make things any easier. Again, with his singled-minded focus, he would take acting classes and kept knocking on doors until the opportunity rose.

Here is an interesting fact you may not know – in order to finance his acting aspiration, he became a contractor and invested in real estate. Prior to acting, he had become a real estate millionaire on his own. How is that for drive? Most people would like to associate that to his being cut from a different 'cloth,' but that simply isn't true. If you look at how openly he talks about the steps he took to achieve his goals, you will be able to decipher that he was just incredibly driven and methodical about everything he did.

He then went on to become California Governor, and would have gladly given a shot at presidency had it not been for the fact that he was not born on U.S. soil.

All in all, whether you like Schwarzenegger as a politician, actor, activist, or any other figure, you cannot help but admire the incredible career he has forged for himself. Whenever you get down on yourself, it is good to reflect on such a persona and realize that you too can overcome any obstacles on your way to gold!

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What's more, we wanted to have the masses be able to, at the very least, tap into information, even if they could not afford the service. Everyone has the right to have their questions answered to some degree. And I don't mean that as a 'basic right' when making references to that, but just the satisfaction of knowing where you stand when dealing with a legal dilemma.

So that's the lesson for the month. The year is slowing passing us by, and it is imperative you stay the course when it comes to business. Dan Kennedy, the great David Ogilvy, Joe Polish and Dean Jackson; those are some of the great authors in the arena if you are interested. If Estate Planning is your itch, then look no further. 😊

## What Is Goal-Based Investing and Why You Might Want to Try It

*The world of financial investment can be a bit dry at times. Between QF, yields, P&L Statements, Accounts Receivable, etc... Many individuals give up before even starting. The terms of art are sufficient to turn the majority away at a young age, and what ends up happening is they simply never pick it up well into their adulthood. It's a shame really, and a habit that should be severed sooner than later.*

*One simple way to start is to have a slightly different approach, and one that can be used in your personal life. It is called goal-based investing. It is nothing revolutionary, rather a simple twist in your financial affairs that will have you start saving in a consistent and responsible manner.*

*Here is how it works. Think of all the life and fun goals you would like to accomplish. Are you interested in purchasing a home? Have you been talking about that vacation in Europe with the whole family? What about that sports car that's been in your dreams for the better part of a decade? Well, there is room for all of it! As Oprah once said "In life, you can have it all, just not at the same time." And so, it is with goal-based investing.*

*As people that need motivation, you need to keep that drive alive every day. In order to do that, you need to have short, medium, and long-term goals. The secret to this approach is in the priority in which you set the timeline. For example, saving for a home will take you a long time, it could be as thrilling as watching grass grow at times. Thus, in order to offset that feeling, watch your sports car budget grow faster and still moving the needle on both steadily.*

*As you achieve your shorter-term goals over time, it will psychologically encourage you to keep going. Another element that can help this process tremendously is to journal every step. People have a bad habit of complaining a lot. Journaling your thoughts and ideas over long stretches of time will help you clarify your thoughts. It all starts with asking yourself better questions. Here is a bad example, "Why am I so lazy?" Not a good phraseology at all. Rather, "How can I make myself wake up every day at 6am?" This will help your mind think of solutions and start thinking creatively.*

*One thing will lead to another and the next thing you know you will be accomplishing your goals to the point where it becomes an expectation. Dig a little further. Your goals will lead to a fuller life, and a fuller life will translate to a more meaningful journey. Not too bad for someone who had modest aspirations. Try it, you may be surprised.*



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&  
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## PHANCAO & SHAFFER, LLP

*Attorneys and Counselors-at-Law*



### Memorial Day

Memorial Day is the perfect day to honor and remember those who have served and sacrificed their lives for the liberty we all can enjoy. This day is a federal holiday across the U.S. and is observed on the last Monday of May. Libraries and schools are closed as well as many federal and state offices.

This holiday is on a Monday, and many of us will get to enjoy a three-day break with our loved ones. The Memorial Day is also marked as the unofficial beginning of the summer. The air gets a little hotter, the days are getting longer... Yep, can you feel it? Your mind and body are calling for a longer break, start preparing for vacation people!