

THE SOCIAL NETWORK... NOT THE NETFLIX SPECIAL

March 2021

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



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“When you take risks and they work out, they lead to new capabilities you never saw before.”

– Tom Soderstrom, chief technology and innovation officer, office of the CTO, Jet Propulsion Laboratory.

How are you doing entering the last month of 2021’s first quarter (that’s a mouthful!)? Is your business holding up? Everyone you love healthy? Thus far, it appears that this ‘new’ normal is here to stay for the foreseeable future. Despite the much anticipated vaccine coming out, it appears that the distribution channels created some dilemma for its recipients. There have been a lot of difficulties getting the vaccines into the right hand, thus slowing down the number of people getting vaccinated. What has ended up happening, here and across the globe, is a prolonged semi-lockdown scenario. Not only has the economy taken a toll, but people are reporting a higher rate of depression. The CDC (The Centers for Disease Control Prevention) has reported that nearly 31% of first responders have admitted to some type of anxiety or depressive disorder caused by Covid-19. Considering that this does not take into account individuals who have been locked into their homes for the last year, you can imagine the number of people fighting a silent war... alone.

Though Hollywood often glamorizes the lone wolf going about life alone, we as human beings are social in nature. It is natural and healthy for us to have regular interaction with others in our immediate circle and community. If you find yourself fighting feelings of depression, loneliness and sadness, please do not ignore it. Like just about any medical condition, the earlier it is detected, the easier it is to treat.

Representing a portion of our elderly community, we have reached out to such clients just to check in on them. We are lucky to report that we have been able to provide some assistance to those who didn’t know where to turn. Sometimes, a simple call or ‘socially distanced’ little visit can make all the difference. If you are in a position where you can take care of others around you, we strongly encourage you to make that first step. Though it may take time out of your day, though the uneasiness of making the first step is always a possibility; we assure you that the initial effort will pay off in spades. It is easy to get lost in the day-to-day due to hectic schedules, but it is also important not to lose sight of the bigger picture. After all the animosity shown through the media caused by politics, many individuals wonder what impact they can have. Quite simply, look at your surroundings. Check in on friends who live alone, arrange for a family/friend video conference party, or help the elder in your neighborhood by checking in on him or her. These little gestures may not seem like a big deal to you, but don’t underestimate the impact on its recipients.

As we are all getting accustomed to these new conditions, this is a chance for you to set a new standard for yourself. Now is the time to be generous and act as the person you have always thrived to be. As the months unfold, there is an uncomfortable truth knowing that we may not be dealing with

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SPECIAL ANNOUNCEMENT

According to the ancient Roman calendar, March is the first month of the year and December is the last because the Old Roman calendar had one year with a total of ten months. Interesting history note for the inquiring minds. Animals wake up this month from hibernation and see the world after a long sleep. If they were anywhere near TX or NY, they sure must have felt one of the coldest winters in some time.

March was basically named from the word “Martius” after Mars (God of war), which is why it is the ideal month for ranchers to continue cultivating, and heroes to continue fighting.

There are two zodiac signs in March, Pisces till March 20th, and Aries from the 21st onward. If you were born in March then daffodil is your birth flower and these babies born in the March have two birthstones, aquamarine and bloodstone. This shall be the only astrology we leave you with this month.

For those of you who started 2021 on the wrong foot, it’s not too late! This month reminds the ones with a late start to take initiative and make up for lost time. For the rest of you, March should be a period of evaluation. You should have a notion as to whether your plans should be working. For this month’s book review, we will look at a book on real life entrepreneurship, not the one you learn from school.

And while you push yourself, don’t forget to stay healthy by keeping a healthy diet. Remember the old adage, “The healthy man has a thousand dreams, the sick one has but one.”

STATUS OF THE ESTATE TAX EXEMPTION

We hope you are settling into this year by now. Things have been hectic to say the least. Trump's second impeachment turned out the way most people thought it would, with an acquittal. Be that as it may, it was still history in the making. Some believe the objective was to prevent him from running for a second term. That is yet to be determined as we will see how things unfold in four years; to be continued, to say the least.

As things stand to date, a large portion of economists are still touting a looming financial crisis on the horizon. Though the upcoming stimulus check will definitely help many, it does not address the real financial burden businesses across the nation have been struggling with – the inability to work! Stock Traders on the other hand are having their best year ever, with the market reaching historical heights. Needless to say, whether this will end up a bear or bullish year or decade is yet to be seen. I would wager on the former.

In the more ordinary course of business, this month also saw the continuation of the estate tax exemption increase. It went from \$11.58 Million in 2020, to \$11.70 Million in 2021. If you know anyone dealing with such issues, have them give me a call! 😊 This is said with tongue in cheek, but truth be told, the repercussion of clients dealing with such large estates can actually be devastating to the loved ones left dealing with such a tax exposure. Thus, it is imperative to look at possible solutions to such a dilemma. Remember, the estate tax exemption is set to expire at sunset in 2025; whereby it is possible it will revert back to its 2018 amount, \$5 Million. Considering the much anticipated inflation and the rise in the cost of living, this will affect a much greater percentage of the population.

However, depending on what side of the coin you fall on when predicting the future of the economy, such a step back may further throw families into a financial crisis scenario, especially those that are 'asset rich, but cash poor.'

As far as the gifting limit, it is still at \$15,000/year. Thus, it is perfectly all right for you to make a \$15,000 distribution to your loved ones without exposing them to taxes. Though this amount may not seem significant in the scheme of taxes, many individuals underestimate its efficiency when and if planned well in advance.

With everything going on around us at the moment, it feels good to see that some things are where we expect them to be. For this year, the estate tax exemption sits where we expected it to, and no one is complaining about that.

There are many 'unknowns' currently happening in the market, but your estate plan does not need to be one of them. Just because your estate may fall under these amounts does not mean you should ignore estate planning as a whole. Remember, a probate will cost your loved ones an average of 5% of the fair market value of your entire estate. That adds up quick!

Should the economy falter, more and more people will act in a desperate manner, and unfortunately, many will turn to suing as a means to generate income. What would normally be a small incident can suddenly turn into a Personal Injury lawsuit you never thought you would face. In other words, incorporate and protect your assets!

Keep pushing forward this year, and see if you can take some time off for yourself on St. Patrick's Day. Though you may have to do it in a socially distanced manner, it doesn't mean you can't enjoy yourself! 😊

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the impact of this virus for months, but rather years to come. And this can be your opportunity to decide to make a difference in your social network.

Many people are struggling right now, and we ask that you put out your most empathetic foot forward. On my end, sometimes, the legal work is the easy part (... Well, not for Prop. 19, but that's a story for another day). Many times, I enjoy just being a friendly ear and a companion to my clients. That alone makes me feel like I make a difference.

Chances are you will not be out and about on March 17th, St. Patrick's Day, but we encourage you to make it a 'zoom social gathering' of your inner circle. Everyone enjoys good company!

“What They Don’t Teach You at Harvard Business School”

This book was written by a very successful entrepreneur Mark H. McCormack, someone who experienced the business world in class and the real world. He was the founder of the modern-day sports market industry and wrote this book to share the life experience of entrepreneurship and the golden facts of life.

His literature is worth the read for the managers and executives of every company related to the work and business management and for the improvement of HR relationships, sales and negotiations. In this book, McCormack defines the positive use of negative reinforcement from others and how to deal with the negativity. He wrote different proven approaches to observe aggressively and take advantage of it. In a day and age of ‘cancel culture’ and overtly political correctness, Author McCormack reminds us that there is a place for a harsher environment. For those in the working world, we call it our job.

One of the best parts of his recommendations is when he goes in-depth about the best practices and methods for attending meetings as a manager or team leader. As an overarching theme, the thing to keep in mind is to remember the final objective for the well-being of the company. It is imperative not to get lost in the minutiae and concentrate on results.

All the management philosophies are not to fit in every organization, every industry or company needs to redefine their philosophies according to their culture and work nature.

By reading this book we quickly pick up that every entrepreneur picks up similar habits for a successful future. One of them being planning, one of the most important keys for a leader / manager to achieve any objective. Every goal starts with a mission statement and a mission statement is made to give people the emotional stamina to carry out that goal. Though esoteric at first, it proves to be the necessary component to keep team members committed.

A leader and a boss are not the same at all, the leader keeps the team motivated, but the boss keeps the team managed. A leader is not the one who achieves his or her objectives, rather a leader inspires his or her team to deliver a commitment level to fulfill the best outcome of the company, which eventually leads to everyone’s benefit. A boss always expects the team to perform according to his or her will without guidance or support. Every successful company has a leadership culture, not a boss culture.

McCormack describes the problems of selling, time for selling, marketability strategies and way of negotiation. For the entrepreneur, this book is imperative to help run a successful business. Through the years, it has been allotted as the “Bible for entrepreneurs.”

Let’s get to work people!

What Is Risk?

Many books have been written, and movies have been made about the glory of risk takers. The personality type to say “burn all the boats.” We should risk everything for glory! And though this often lends to good storytelling, history forgets the countless stories of individuals and companies that have lost everything in such pursuit.

Or have they? Behind the façade, there is a little more to the story than what we have been told. See, to the intelligent entrepreneur, the bet lies in taking a calculated risk, not the blind-faith one. The one that does the heavy lifting at the beginning, spends the countless hours necessary to make an evaluation on the next business move; that individual usually ends up on the winning end of such ‘gamble.’

As Richard Branson was often paraphrased saying “Virgin Atlantic was started on the fleet of British Airways’ unused planes.” Should the demand for his flight not have been there, all Branson had to do was return the planes. Not a bad deal if you ask us!

2021 is unfolding to be an unprecedented year in terms of getting a loan as the rates are at their historical lows. As a business owner, you can benefit from such a time not by simply buying an asset, but rather studying the field of interest you find yourself looking into, understanding the demographics and the economic cycle you want to invest in; and only then make a decision as to whether the investment is worth the risk.

There is an incredible amount of confidence that comes with doing your homework ahead of time. When you have researched your subject matter thoroughly, you can indeed live with a certain amount of risk. Why? Because you know you’ve done everything you could before taking that step forward.

Thus, it would be wise to redefine the term risk in your mind. Too many would-be entrepreneurs often aim to come up with some innovative idea that has never been thought of in the past. But there are only so many Steve Jobs in the world. There are only so many Elon Musk, individuals that are willing to risk everything to make their vision come true. There is no shame in thriving in an existing industry but adding a spin never thought of in the past. Think Warby Parker, an outdated prescription glasses model that has been completely renovated.

In other words, do not confuse the term risk for blind optimism. If you do the proper research, you can innovate but also reinvent a whole new industry. Taking that ‘risk’ never felt safer! 😊

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How are you holding up in this continued pandemic? Our hearts particularly go out to the small business owners, especially restaurants; whose very livelihood has been on the brink of financial ruins due to these restrictions. That is why, we continue to encourage you to frequent your small business owners, lest you forget, they do make up 47% of the U.S.'s GDP. Think about that for a minute, how many family members does that represent?

We unfortunately are not here to tell you that the battle is over. With the speed (or lack thereof) of the vaccine implementation, it is not unrealistic to say that we could see ourselves in some sort of quarantine for the remainder of the year. Heck, as of the writing of this article, many EU countries do not allow international flight, whether in or out; unless some dire justifiable reason can be provided (i.e., death of an immediate family member, inability to care for oneself financially, etc...)

Times are not easy, but we are slowly coming out of this. A new economy is forming, you must stay the course to stay ahead of your competition. Embrace the fighter in you, because we're not out of the woods! Irrespective, we want to wish you a Happy Easter and St. Patrick's Day! Take some time off for yourself! We're here for your legal battles as you know, please feel free call us! 😊