Asset Protection & Elder Law Center
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JANUARY 2026

"At our Firm, Your Estate Plan is Not Business, it's Personal..."

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HIGHLIGHTS IN THIS ISSUE

"There are far better things ahead than any we leave behind."

- C.S. Lewis

2025 ENDED ON A TOUGH NOTE, LET 2026 BE DIFFERENT

As we turn the page on the calendar and step into January, it is difficult not to pause and reflect on the weight with which 2025 came to a close. This is definitely not how I intended to start the year, but awareness trumps 'feeling good', so let's be transparent with one another! The final days of the year were marked by tragic headlines that cut across geography, profession, and circumstances, reminding us—once again—that life can change in an instant. Whether these events touched us personally or only through the news, they left many with a lingering sense of sadness.

One such story that circulated widely involved reports of a killing connected to filmmaker Rob Reiner and his wife. As of this writing, the facts publicly confirmed remain limited, and much of what initially spread online appears to have outpaced verified information. Authorities have been careful to release only what can be substantiated, and investigations, where applicable, are ongoing. As of the writing of this article, it is very strongly believed that their son, Nick Reiner, was behind this tragedy caused by a fight that occurred at a party the night before. The son is known to have been to rehab over 20 times, but that is no excuse whatsoever…

Across the globe, another deeply unsettling incident occurred at Bondi Beach in Australia, a place synonymous with sunshine, leisure, and everyday normalcy. What began as an ordinary day in a public, ended in violence, leaving victims, families, and bystanders forever changed. While details have emerged gradually, the core facts alone are enough to unsettle anyone: lives lost or irreversibly altered in a space where people reasonably expected safety. These moments are particularly jarring because they invade places we instinctively associate with peace and routine.

Taken together, these events remind us how fragile our assumptions can be. We plan, we schedule, we assume tomorrow will look much like today. Most of the time, it does—and that is precisely why we must not lose sight of how precious that stability truly is. If you are reading this healthy, able to work, love, think, and plan, you are already extraordinarily fortunate. That perspective does not diminish the sorrow of those who are grieving; rather, it deepens our appreciation for the life we still have and the responsibility that comes with it.

It is easy, especially at the start of a new year, to focus solely on goals, growth, and productivity. Those

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INTRODUCTION

Happy New Year Everyone! You have been missed, really!

Let's start the year on a good note! For one, in the estate planning world, many affluent families will rest assured knowing that the estate tax exemption still lies at $15M per individual, therefore $30M for a married couple. This should provide peace of mind for the majority of U.S. households. On another note, there is also another legal update, unfortunately not as 'cheery' as the one just shared. Medi-Cal has started to re-implement the qualification requirements for long-term care, thus more planning is going to be required.

For most people, with the right preparation, none of these estate planning changes should be dramatic. But for us, our mission remains the same –educate you, our loyal reader, through all the changes that take place throughout the year. For our first newsletter of the year, let's kickstart 2026 going by looking at some way to get our mindset in the right place, continue our legal and financial education in the coming months, and see what news events is worth discussing as the year unfolds!

Before leaving, we want to thank you for accompanying us last year to our new building! It was a lot of work and it seems all of you like the new space. None of this would be possible without you entrusting us with your family. This is our reminder to let you know we take this trusted position very seriously, and we are proud to be part of your team! So as the great Al Bundy from Married with Children would say… "Let's rock!"

ASSET PROTECTION TIMING

In the last two years or so, there has been a surge of interest in asset protection. This may be caused by the current state of the economy and where the uncertainty people feel. With this idea in mind, let me share some asset protection ideas and concepts people often inquire about in meetings. Asset protection isn't a product—it's a timeline. The same structure implemented before a problem arises can be robust, while the identical move after a claim appears can be vulnerable. In 2026, with more estates brushing up against transfer-tax thresholds and greater concentration in real estate or private businesses, the timing question deserves center stage.

Courts—and the Uniform Voidable Transactions Act (UVTA, adopted in California)—scrutinize transfers made after a claim becomes reasonably foreseeable. The earlier your planning, the more it looks like ordinary stewardship rather than a reaction to a creditor. That means doing the boring things early: formalizing entities (with capital accounts, minutes, separate banking), aligning insurance coverage with actual risks, and maintaining arms-length documentation. When you treat structures like real businesses, courts are more likely to do the same.

California's community property rules are powerful for basis planning, but they complicate protection. If one spouse is a professional with malpractice exposure, transmutation agreements can clarify separate vs. community characterization—but they must comply with strict formalities (think clear, express language and adherence to Family Code requirements). However, sloppy or backdated agreements are worse than none. Homestead protections help but are not a substitute for entities, adequate insurance, and prudent separations between personal and business assets.

Wyoming LLCs offer strong charging-order protection and administrative simplicity, and they can be a good fit for holding entities or manager-managed operating structures. But no jurisdiction can cure bad facts. If funds commingle, distributions are made informally, or personal expenses flow through the company, a court can disregard form in favor of substance. Use Wyoming for its predictability—but respect the veil: operating agreements, registered agents, minutes, and genuine economic activity matter. If California is your nexus (property, operations, or management), expect California tax and regulatory overlays even if the entity is formed out of state.

Clients often ask, "When is it too late?" There's no universal line; courts look at a myriad of facts. A letter of demand or a known accident is clearly late. Mounting debt, a deteriorating business, or a risky transaction can push you into a gray zone where a prudent person would foresee claims. The safer practice is to treat every growing enterprise as "potentially foreseeable" and structure accordingly while times are good. That approach avoids the appearance of scrambling after the fact.

Irrevocable trusts can place a legal wall between beneficiaries and assets—when drafted and funded correctly. Domestic discretionary trusts with independent trustees, spendthrift clauses, and clear distribution standards are common. If you pair a trust with an LLC (trust as member; LLC holds operating assets), you can add layering without turning routine administration into a burden. Pay attention to tax situs, trustee powers, decanting statutes, and swap powers for basis management. If you need access, spousal-benefit trusts (e.g., SLATs) or carefully drafted distribution standards can help without collapsing the protection.

In litigation, your documents often speak before you do. If minutes, capital calls, and resolutions are current—and distributions match agreements—you're telling the court you respect corporate formalities. If the trust owns the LLC, the trustee (not you in your individual capacity) should sign on behalf of the trust as member. Bank accounts must match the entity names; loans should have notes; and related-party dealings deserve third-party-like paper trails.

Bottom line: in 2026, credible protection is calm, early, and documented. Treat your structure like a real business, respect community property formalities in California, leverage Wyoming predictability where it fits, and never assume that paperwork alone will save bad facts. Good planning won't make a weak case disappear—but it can keep a manageable problem from becoming an existential one.

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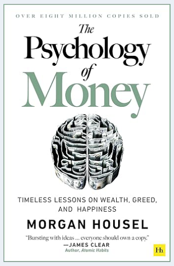
things matter. But perspective matters more. The events at the end of 2025 underscore a truth that estate planners confront daily but that many families postpone acknowledging: planning is not about pessimism. It is about care. It is about reducing chaos at the very moments when loved ones are least equipped to handle it. Estate planning is not just a stack of documents or a legal exercise. It is an act of stewardship. It is how you ensure that, in the event of death or incapacity, your family is protected from uncertainty, conflict, and unnecessary stress. It is how you translate love and responsibility into something concrete and enduring. As a firm, moments like these strengthen—not soften—our commitment to this mission. We are reminded why clarity matters, why thoughtful planning matters, and why delaying difficult conversations often comes at the highest cost. We begin this January with heavy hearts for those who have suffered loss, but also with renewed resolve. Resolve to keep life in perspective. Resolve to appreciate health and time while we have them. And resolve to ensure that when the unexpected happens—as it inevitably does—our clients and their families are not left navigating grief alongside legal and financial uncertainty. That is our purpose, and it has never felt more important than it does now.

BOOK REVIEW



MORGAN HOUSEL: THE PSYCHOLOGY OF MONEY

If financial advice were only about spreadsheets, most people would be rich. Housel argues the opposite: money decisions are far more about behavior than intellect. Across twenty short chapters, he illustrates how luck, risk, ego, and time shape outcomes in ways we tend to underestimate.

The most powerful idea is deceptively simple: compounding only works if you can stay in the game long enough. That requires humility about forecasts, a margin of safety, and habits that keep you from ejecting at the worst possible moment. Housel's stories—of investors who did well by being "pretty good for a very long time," and of others who blew up by reaching for just a little more—land because they are human, not technical.

For families doing estate and tax planning, the book's relevance is practical. Good planning is less about a perfectly optimized structure and more about a resilient one you can actually live with. That means balancing taxes with liquidity, governance with flexibility, and legacy goals with the reality that people and markets change. Housel encourages readers to pick a strategy that is "reasonable" rather than theoretically "optimal" and then to stick with it through cycles.

Stylistically, the book is a fast read you can dip into in short bursts. It's also a useful conversation starter for couples or families trying to align around money values before they finalize a plan. If you read it with a pen, you'll likely underline the same passages our clients mention most: "No one is crazy," "Tails drive everything," and "You'll change." In a year when rules and thresholds have shifted, that last reminder may be the most important.

BUSINESS / HEALTH / WEALTH

A One-Word Theme for 2026

New Year's resolutions are famous for fizzling by February. A lighter, more durable approach is to choose a single word that acts like a compass for the year. Think of it as a filter you can apply to decisions big and small. If your word is "Health," you might default to walking meetings, earlier bedtimes, and more daylight breaks. If it's "Family," you could put recurring dinners on the calendar now, plan a summer trip, and align your work blocks so evenings are free.

Choosing the word is simple. Set a ten-minute timer and list what you wanted more—or less—of last year. Circle the themes that repeat. Then ask which single word would quietly nudge you toward better defaults when you're busy. Put it where you'll see it every day—phone lock screen, bathroom mirror, or the first line of your calendar.

The magic isn't in the word itself; it's in the friction it removes. You'll make dozens of tiny choices this week. Your word lets you say yes or no faster, with less decision fatigue. By March, you'll have created a tilt in your life that feels natural rather than forced. In a year when financial rules have shifted and planning may feel heavy, a simple, personal anchor is a good way to keep momentum without more to-do lists.

FAMILY SPOTLIGHT

At our firm, we believe that thoughtful estate planning is about more than just documents; it is about protecting families and their futures. To celebrate the personal stories behind our work, we are launching a new "Family Spotlight" series. We are proud to begin with Elijah, the second oldest son to attorney Valerie Pasion.

Elijah celebrated his 15th birthday on December 18. A dedicated freshman at Oxford Academy, he balances a rigorous academic schedule with his role as the starting point guard and a leading offensive player on his JV basketball team.

Looking ahead, Elijah has clear and ambitious goals. He aspires to attend UCLA, following in the footsteps of his mother, who attended the university for law school. There, he hopes to play basketball while pursuing his academic passions, a natural step after being named his school's Scholar Athlete of the Year in 2025. His long-term vision is to become either an optometrist or a pastor, two paths that equally reflect his thoughtful character and deep desire to serve and care for others.

Beyond his achievements, Elijah is defined by his character. Described by his mother as the "glue" of his three siblings, he is known for his quiet self-discipline, calm nature, and the devoted care he shows his younger sister. He approaches every goal with focus and integrity, excelling steadily and without fuss.

Watching young people like Elijah grow into responsible, kind-hearted individuals reminds us why we do this work. At its heart, estate planning is an act of love, ensuring security, providing guidance, and protecting the unique bonds that define a family.

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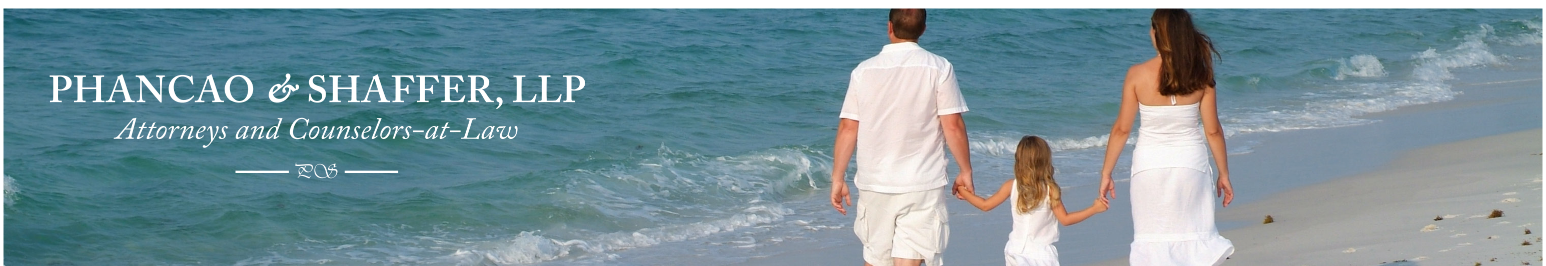

The most valuable move you can make this month is to convert awareness into action. Start with a brief inventory: your current net worth, how assets are titled, your trust and beneficiary framework, and whether portability has been secured if applicable. From there, pick one leveraged change—fund the ILIT that has been sitting on the shelf, execute the transmutation agreement you've discussed, or schedule the valuation that unlocks a recapitalization or gift.

Planning is not an all-or-nothing event. It's a series of small, documented steps taken early and maintained over time. If you feel stuck, we'll help you prioritize: what reduces risk the most, what preserves flexibility, and what best aligns your family's values with today's rules. The goal isn't to predict every twist in the law or market; it's to build a plan that works regardless.

Here's to a year of clear decisions, simpler structures, and durable outcomes. If you're ready to begin—or to tighten what you already have—let's talk.