

JANUARY 2021

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A Fresh Face for a New Year

Meet Our New Concierge, Jessica Wilcox

Hello! I'm so excited to meet you, even if it's just on paper. Like John said, my name is Jessica, and I'll be taking over for Becky as your concierge. I was lucky enough to work closely with Becky for two weeks before she transferred departments, and she did a great job showing me the ropes. It was inspiring to see the amount of compassion and commitment she gives to the firm and our clients, and she really paved the way for me to bring that same empathy to this role.

When I interviewed for this job, I knew right away that it would be perfect for me. I've been motivated to help people for a living since my college days studying psychology at the University of Rhode Island. That passion led me to move to San Diego three years ago. I worked in special education and management roles for a while. However, I jumped at this opportunity when I realized that I would be able to help out a lot of people with their estate planning needs, requests, and questions, all at the same time!

I'm still new to the job, but I already love assisting clients with their Trust documents and keeping



them updated on the estate planning process. Over the last month, my biggest wins have been helping people who are having bad days or going through tough times. Listening and doing whatever I can to fix things is a challenge, but it's also incredibly rewarding. I'm so glad I was able to pick up where Becky left off.

Working at Preston has pushed me to grow and learn new skills, and I've also been able to create a better work-life balance. Before, I was always exhausted when I left work, but now I have the energy for other things in my life, like going hiking, riding my bike on the boardwalk, or just enjoying the sunset beachside. I finally took a few weekend getaways this year to places like Joshua Tree and Lake Tahoe, and I'm spending even more time playing with my rescue cats, 10-year-old Chloe the tuxedo cat and 6-year-old Penny the tabby.

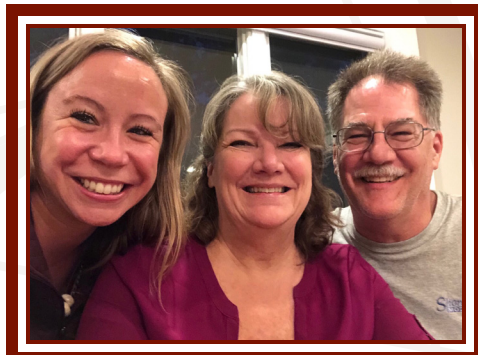
So far, my days at Preston have been consumed with phone calls and emails, but I'm looking forward to meeting you in person as soon as this pandemic is over. Please don't be a stranger. If there's anything you need, you can reach out to me. I'm here to help!



If you've been a Preston Estate Planning client for a while, odds are you're familiar with Becky Poulson, our concierge. Becky has been with us close to seven years, and I personally love her to pieces. She does fantastic work! In fact, she's so good that late last year, my team and I decided to move her to a different area of the firm where her skills could be better leveraged.

Going forward, Becky will be working in our estate settlement department, but we've already found the perfect person to fill her shoes: Jessica Wilcox. Jessica has been with us for over two months now, and she's excelling in the concierge role. We're delighted to welcome her to the family, and I'm sure you'll feel the same way! To get things going, I've invited Jessica to say hello and share a bit about herself in this newsletter. Without further ado, here she is.

-John M. Preston



-Jessica



Understanding Asset Protection

How Standard Property Tax Trusts and Living Trusts Measure Up

Last month, our firm conducted numerous phone calls with many of our clients and their children. In fact, we have probably had more meetings with parents and children in the last two or three weeks than in the rest of the year combined. The reason for these meetings is the desire to take advantage of the “Parent to Child Exclusion,” which will, for the most part, disappear on Feb. 16, 2021.

As you may already know, the Parent to Child Exclusion allows a parent to transfer their personal residence and a substantial amount of their rental property to their children without worry that it will be reassessed for property tax purposes. Normally this transfer of real property takes effect when the parent dies. However, since this exclusion has (with a minor, restrictive exception) been repealed, our clients are scrambling to transfer their property before the February deadline instead. If you are interested in learning more about whether you should take advantage of this, call our office as soon as possible to schedule a 30-minute appointment. We will be happy to walk you through the pros and cons of the process.

That said, the Parent to Child Exclusion is not the topic of this article. Rather, I’m writing today to clarify a tremendous misunderstanding about how asset protection works, which I’ve noticed during meetings with our clients’ children.

First, let’s clarify the meaning of the term “asset protection.” Anything you do to prevent someone from taking your assets away is asset protection. An obvious example would be creating a Living Trust to avoid attorney’s fees, executor’s fees, court costs, and so on. Other examples include protecting your children’s inheritance from a lawsuit triggered by an automobile accident, bankruptcy, divorce, or other scenario that could deplete it.

During our recent meetings with clients and their children, we discussed the process of transferring real property to a child before the February deadline. However, rather than transfer the property outright to the child, we suggested that our clients transfer their real property to a special “asset protection” Trust for the benefit of the child. Here’s the logic: If Mom transfers her home to her son outright and the son gets a divorce, his ex-wife could end up owning the mom’s home. To avoid this, we transfer the home to a special “asset protection” Trust (aka the “Standard Property Tax Trust”) instead, which protects it from exposure

to the divorce proceedings. In addition, if the son files bankruptcy or is sued, the home is still protected because it is not owned by the son — it’s owned by this special trust.

When we discussed the protective features of Standard Property Tax Trusts during our phone consultations, often the son or daughter of our client would ask, “Why don’t you simply transfer the property to the Living Trust that I already created?” Our answer was: “Because when you create a Living Trust, transfer your own assets onto the Trust, and name yourself and trustee and beneficiary, you receive no asset protection.” Usually, the child would pause, then challenge the accuracy of our answer. “Are you sure?” they would ask.

We are. This is what you might call “Asset Protection 101.” If *you* create a “Revocable Living Trust” and name *yourself* as the trustee and beneficiary, then transfer *your* assets into that Living Trust, you don’t get any asset protection. However, if *someone else* (like Mom or Dad), creates a Living Trust, transfers *their* assets into that Living Trust, and then names *someone else* (like a son or a daughter) as trustee and beneficiary, the Trust can provide asset protection for the lifetime of that son or daughter. To ensure a Trust provides asset protection, it’s key to separate the people who create and fund the Trust from the beneficiaries who enjoy it.

It is vital that your children realize your Living Trust provides asset protection for their inherited assets if they leave them in the Trust. If they don’t realize your Trust provides asset protection and *their* Living Trust does not, they will take all of the assets out of your Living Trust and transfer them to their own. As a result, they’ll lose all asset protection! By the way, once your assets have been removed from your Trust, that process can’t be undone.

May I suggest that your children watch one of the presentations available on the members-only section of our website? They will learn what you now know and won’t be tempted to undo the framework you have so carefully structured to protect them. Watching our videos is easy. They simply need to visit our website, click the client portal, put in your password, and chose the **“Life Plan Protective Strategies”** presentation to learn about all of the protective language you have placed in your Living Trust on their behalf.

—John M. Preston

How to Find Your Flow in 2021

Is Deep Focus the Secret to Success?

Have you ever started working on an important project and looked up at the clock after what felt like minutes only to find that hours had passed? If you have, you've probably experienced "flow state," aka the Holy Grail of concentration and achievement.

What is a flow state?

Psychologist Mihaly Csikszentmihalyi describes a flow state as a "focus that, once it becomes intense, leads to a sense of ecstasy, a sense of clarity: you know exactly what you want to do from one moment to the other; you get immediate feedback." That sounds complex, but you can also think of flow as being "in the zone." And it might be the key to achieving your New Year's goals. That's because a flow state almost always coincides with tackling a difficult task, and when you're in a flow state, even the most challenging things feel relatively easy.

Why are high achievers obsessed with flow?

Flow state doesn't only happen for people with desk jobs. You can get it while running, playing chess, dancing, or climbing a mountain, and it's considered the Holy Grail because it has a host of benefits. According to the meditation app Headspace, those perks include heightened focus (goodbye, distractions!), a sense of clarity, feelings of happiness and pleasure, and the impression that all obstacles ahead of you have disappeared. That makes accomplishing your goals feel like less of a struggle. It's no wonder high-achieving hobbyists, workers, and creatives crave the feeling!

How can you get in a flow?

Usually, a flow state isn't planned — it just happens. In a BBC article, author Steven Kotler describes flow as "a happy accident." But he also notes that we can make ourselves "more accident-prone." To set yourself up for a flow state, find a quiet place to work and choose an activity that's difficult but meaningful for you. Ideally, it should be something you've already put work into perfecting. If you've never tried painting before, you probably won't find flow on your first attempt, but an experienced painter could achieve it while mastering a new technique.

Some people claim that being in a flow state is a form of meditation and that learning how to meditate can help you reach it. To that end, apps like Headspace and Evenflow (for iPhones only) are great places to start! Before you know it, you'll be finding the flow like a pro.



Sudoku

				5	1		
				9		4	2
4		3				9	7
			2	4		6	
					5		
	4		3		6		2
		6		3	1		4
				6	7		
3	8		5		4		6

Solution on Pg. 4

SLOW COOKER CHICKEN CASSEROLE

Inspired by
GoodHousekeeping.com



Ingredients

- 8 chicken thighs or drumsticks, lightly salted
- 1 tbsp olive oil 1 tbsp all-purpose flour
- 1 onion, finely sliced
- 2 celery sticks, thickly sliced
- 2 carrots, thickly sliced
- 1 leek, thickly sliced
- 1 lb potatoes, peeled and cut in large chunks
- 2 garlic cloves, sliced
- 14 oz chicken stock
- 1 sprig rosemary
- Finely grated zest and juice of 1/2 lemon
- 1/4 cup fresh parsley, finely chopped

Directions

1. In a large frying pan, heat oil and fry salted chicken on high until brown.
2. Transfer chicken to the slow cooker. Add flour and stir.
3. In the frying pan on high heat, fry the onion, celery, carrots, leeks, and potatoes until lightly browned. Add garlic and fry for 30 seconds.
4. Transfer vegetables to the slow cooker and add the stock, rosemary, and lemon zest.
5. Cook on high for 2.5–3 hours or until chicken is tender.
6. Check seasoning and add lemon juice to taste. Top with parsley before serving.

7	2	9	4	8	5	1	3	6
1	6	8	7	9	3	4	5	2
4	5	3	6	1	2	8	9	7
9	1	5	2	4	8	6	7	3
6	3	2	1	7	9	5	8	4
8	4	7	3	5	6	9	2	1
5	7	6	9	3	1	2	4	8
2	9	4	8	6	7	3	1	5
3	8	1	5	2	4	7	6	9

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Let That Fresh Air Fuel You

4 Tips to Make Getting Outside Easier



Hunkering down and waiting for the dark and chilly winter season to pass sounds pretty nice. But the reality is, if we deprive ourselves of time outside, we do ourselves a big disservice both mentally and physically. Staying indoors all day affects your energy and mood, which makes it hard to get anything done, so here are four easy tips to make it easier to get a little fresh air.

1. Make it a priority. Getting outside means making the conscious effort to do so. If you want to reap its benefits, you have to decide to make it a priority in your day-to-day schedule. If you make the act important to you, you have more motivation to actually do it.

2. Use mornings effectively. Waking up and getting the day started can be hard. But studies have shown that natural light helps decrease your melatonin production, which means you feel ready to face the day sooner. So, set yourself a second alarm to head outside and take a quick walk around the block just after waking. Don't even wash your face or grab coffee. Just get out there.

3. Take your work outside. If you're working from home, take some work outdoors. Phone and virtual meetings are a great outdoor option, especially if you'll just be an active listener and aren't required to do any work simultaneously. Attach a note to your meeting reminders to get yourself set up outside five minutes before you start.

4. Create a schedule. It might feel strange to set reminders throughout the day to step outside, but you easily get wrapped up in activities and overlook breaks, and these reminders are exactly what you need. Start with 10-minute blocks three times a day. If you stick to them, soon you won't need a schedule to get outside anymore.

Winter weather may be cold, but even when you're bundled up under a jacket and scarf, just 5–10 minutes outside can do wonders for your mood and energy for hours.