

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

PrestonEstatePlanning.com

12396 World Trade Drive, Ste 301  
San Diego, CA 92128

800.698.6918

PRST STD  
US POSTAGE  
PAID  
BOISE, ID  
PERMIT 411

# Inside

- 1 J.M. Shares His Story
- 2 Let's Retire These Health Myths  
Mitigating Crises
- 3 California's Decanting Law  
Tiramisu
- 4 Prepare for an Adventure in Lapland

## Into the Arctic Circle

### Adventure in Swedish Lapland

If you're eager for a new adventure in 2019, you'll surely find it in Swedish Lapland. With trail systems that take you into the Arctic Circle, the northernmost region of Sweden is home to national parks, glaciers, reindeer, the beguiling midnight sun, and spectacular night skies.

Though winters are cold, one benefit of traveling to the region in this season is to catch a glimpse of the night sky. The northern lights are visible from a few remote locations like Abisko National Park, one of the first established national parks in Sweden.

Traveling to Abisko is an adventure in and of itself. From Stockholm, the fastest option is to take one of only two airlines that fly into Kiruna, then travel by train to Abisko. Despite the challenge of getting there, adventure-seeking visitors from around the world arrive each winter to experience the Arctic beauty. Winter attractions include ice skating, snowshoeing, and the Scandinavian sauna (this last one is a must any time of the year). Befriend a Scandinavian and you might be treated to some pickled herring or even a princess cake, a raspberry-filled dessert covered in marzipan.

Scandinavians cherish their public lands, and the trail systems are well taken care of. Hikers and backpackers can enjoy the stunning beauty in both late

spring and summer, as well as a chance to see the midnight sun. Because of its far-north location, Swedish Lapland receives close to 24 hours of sunlight from June through early August. Between the boulder fields, mountains, and stunning glacial lakes, hiking here is a treat.

While hiking, you may spot reindeer herds or lemmings (a small rodent similar to a hamster) racing around rocks. The Sami people have herded reindeer for thousands of years through this very land. In the summer, keep an eye out for blueberries, lingonberries, and the brightly colored cloudberries.

Because of the Arctic climate, weather conditions can change quickly from sunshine to rain and heavy fog, so it's best to dress in layers and bring wind and rain protection if you plan to venture into the backcountry.

The fantastic scenery of Swedish Lapland awaits you, no matter when you decide to take your trip. What are you waiting for?



PrestonEstatePlanning.com

## A Father's Support

### My Journey From Business Buyer to Estate Attorney

I've always been in awe of my dad's gift to captivate a room of 1,000 people with his public speaking skills. I used to watch him and think, "That's cool. I want to do that." When I began college, I did so with the full intention of becoming an attorney and joining my dad at Preston Estate Planning. But by my senior year, I decided to jump ship and try my hand in the business world, despite already taking the entry test for law school.

My wife, April, and I began investing in businesses with the help of a mentor. Our primary market was in the world of construction. Things were going well, but after about eight years, I was concerned about my lack of skills in doing the construction work. There was nothing stopping my employees from demanding more pay because of their specialized skills or calling in "sick" and leaving me to do the work. I didn't like that my businesses could be compromised like that, and I began contemplating my next move.

On a trip back to San Diego, I struck up a conversation with my dad about a new kind of business I was considering purchasing. I thought it would be something he might be interested in investing in, but his response wasn't quite what I expected.

He said I should consider becoming an attorney and working with him. This would give him a successor to his business, which I could someday take over. I'm sure my venture into business investing had been a little disheartening for my dad. He supported my business adventures from afar when previously he'd been excitedly preparing to have his son join him at a business he spent decades building.

I was a bit dumbfounded by his response, because this meant I would have to return to school — law school, nonetheless — and I was married with

two young sons. Besides, we had this conversation in February, and law school started in the fall. I insisted it just wouldn't work right now.

On our drive back to the Bay Area, my wife and I mused over the idea. By the time we returned home, the decision was made: I was going to law school. A law school in San Diego accepted my law school entry test scores, which were expired but stellar enough to grant me a scholarship and acceptance into this well-established university. Additionally, I qualified for a shorter program, which expedited the process.

April and I sold our businesses and moved to San Diego in June of that same year. By August, I was enrolled in law school with peers who were quite younger than me. When they went out for a few beers after class, I went home to my family. That was okay with me, but it was certainly a unique perspective. My life was completely different than it had been just a year or even a few months prior to law school. Suddenly, I was doing something I hadn't considered since my undergraduate studies. Luckily, I had the support of April throughout the whole process. She was a saint, working as a freelance graphic designer for the Clorox Company at night so she could take care of our family during the day when I went off to school.

In 2011, I joined my dad at Preston Estate Planning. After a few years of establishing our new relationship as both family and colleagues, we learned to combine his expertise as a 30-year attorney and business owner and my decade-long experience in business investing. Now, instead of owning businesses that help people build their dreams, I help people find a way to turn their dreams into a lasting legacy. I'm constantly humbled by our clients' faith and trust in me — just like the kind my father had when he suggested law school more than a decade ago.



*-J.M. Preston*

800.698.6918



# The 5-Second Rule Will Make You Sick

## 3 Health Myths You Probably Believe

We live in the golden age of information. The answers to many of life's questions are just an internet search away. Despite this readily available wisdom, we still have a bad habit of believing health-related myths. Here are three popular health "facts" that are total works of fiction.

### The 5-Second Rule Keeps Food Safe

Obviously germs and bacteria don't really wait five seconds to pounce, but snatching your chip off the floor fast keeps most of the germs away, right? Not according to a 2006 study published by Dr. Paul Dawson. He found conclusive evidence that when food comes into contact with a contaminated surface, bacteria are transferred immediately. Even one second spent on tile, wood, or carpet is enough to infest your food with salmonella or another serious contaminant.

### Bottled Water Is Safer Than Tap Water

People seeking out safer water alternatives increases the sales of bottled "spring water" each year. However, bottled water is more expensive, bad for the environment, and, as Dr. Morton Tavel of the Indiana University School of Medicine pointed out, over 50 percent of bottled water is just filtered tap water. The same effect can be achieved with a home filtration

system. Of course, if the tap water in your area has been contaminated, bottled water is a safer alternative. However, in most circumstances, bottled water is no healthier than tap water.

### Cracking Your Knuckles Causes Arthritis

The connection between knuckle-cracking and arthritis came from studies where participants self-reported their habits. Modern medical research has shown these results to be false. The official stance from the John Hopkins Arthritis Center states, "There is no evidence that cracking knuckles causes any damage such as arthritis in the joints." Still, chronic knuckle-cracking can lead to reduced grip strength, so you might want to break the habit anyway.

You've probably heard these myths for years, but just because something is common knowledge doesn't mean it is true. With information so easily available, always take the time to research the facts, especially when it comes to your health.



# Estate Planning University:

## Understanding California's New Decanting Law

You'd really only expect a link between wine and trusts in the estate plan of a vintner or wine collector, but in 2018, California's new decanting law changed that. The Golden State followed suit with other states and created a new law to make it easier to change the terms of irrevocable trusts, dubbing the process "decanting."

Traditionally, the terms of irrevocable trusts cannot be changed once established, and before the decanting law was signed, if someone needed to change an irrevocable trust, the matter typically had to be brought before a judge. Unfortunately, that can be a time-consuming and expensive process with no guarantee that it will be approved by the judge.

The concept of decanting is to give the trustee the ability to remove or modify the terms of an irrevocable trust by distributing the trust assets into a new trust. It's like a "do-over" on an irrevocable trust. The new trust "filters out" the terms of the old trust that were outdated or inapplicable. For example, if all the successor trustees of an irrevocable trust have died, the decanting law allows a new trust to be created, appointing a new set of trustees.

However, this is a not a blank check to rewrite all the terms of the original trust. California restricted the allowable changes based on the distribution standard in the original trust. The more discretion the trustee has on principal distributions, the more the provisions of the trust can be changed. The allowable changes generally fall under two distribution standards:

**1. HEMS Standard:** The Health, Educational, Maintenance, and Support, or HEMS, standard limits the trustee's discretion to an ascertainable standard. If an irrevocable trust has a HEMS standard, the decanting law only allows the trustee to modify the administrative provisions, including successor trustees. Unfortunately, most irrevocable trusts usually contain a HEMS standard for principal distributions.

**2. Discretionary:** If the trustee has more discretion to make principal distributions, then the trustee can use the decanting law to change not only administrative provisions, but also dispositive provisions as well. For example, the trustee could eliminate a beneficiary or change the standard for distributions to the beneficiaries.

Keep in mind that there are additional requirements (notice must be sent to specific individuals prior to decanting a trust) and other restrictions that limit what can be done. However, despite the limitations of California's new decanting law, it still provides us with an additional tool that may be helpful in modifying the terms of an irrevocable trust.



# Sudoku

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

Solution on pg. 4

## Tiramisu

Inspired by foodnetwork.com



*This Italian favorite makes for the perfect Valentine's Day dessert. It's easy to whip up and will make the holiday feel extra special.*

## Ingredients

- 6 egg yolks
- 3 tablespoons sugar
- 1 pound mascarpone cheese
- 1 1/2 cups strong espresso, cooled
- 2 teaspoons dark rum
- 24 packaged ladyfingers
- 1/2 cup bittersweet chocolate shavings, for garnish

## Directions

1. In a large mixing bowl, use a whisk to beat together egg yolks and sugar until thick and pale, about 5 minutes.
2. Add mascarpone cheese and beat until smooth.
3. Fold in 1 tablespoon of espresso.
4. In a small, shallow dish, combine remaining espresso with rum. Dip each ladyfinger into mixture for 5 seconds. Place soaked ladyfingers at the bottom of a walled baking dish.
5. Spread half of the mascarpone mixture on top of the first layer of ladyfingers. Top with another layer of ladyfingers and another layer of mascarpone.
6. Cover and refrigerate 2-8 hours.
7. Remove from fridge, sprinkle with chocolate shavings, and serve.

# Solving Problems, Not Crises

## A Client Who Nearly Lost the Right to Her Home

J.M. here again!

One of the best parts of my job is when a client and their family see how the plans we create really matter. I was reminded of this lesson after a recent phone call with a client.

This client's husband had suddenly fallen ill, and his prognosis wasn't good. Around that same time, she found the deed to their home on his desk, and its contents were perplexing. Years ago, they had put their home into the name of their trust. But at that moment, she held a deed that said otherwise. Only her husband's name appeared on the deed.

We quickly discovered that when the client's husband had refinanced their mortgage a few years prior, the bank had required that they transfer the home into his name alone. This is a common practice for lenders, and afterward, the deed is transferred back into the name of the trust. For whatever reason, their home had never been transferred back to the trust.

If a new deed didn't get signed transferring their home back into the trust, this client would likely end up stuck in probate court when her husband died. Not only would that be a very expensive process, but the time and energy involved would be significant.

The solution was simple, I assured her. We could draft a new deed, and her husband could transfer the home to the trust. Unfortunately, I didn't realize the severity of her husband's situation. He was actually in a coma and incapable of signing his name.

Luckily, we had prepared financial powers of attorney for each spouse. This meant that either spouse could sign the other spouse's name on legal documents. This gave the client the ability to sign her husband's name on the new deed, transferring their home into the trust.

I drafted a new deed on Thursday, the client signed it for her husband on Friday, and we recorded it with the county later that afternoon. Sadly, her husband passed away that Saturday. When I met with her a few weeks later, I could see through her grief that she was also relieved to a certain degree. The plans we put in place were not only working now that her husband died, but they helped solve a problem before it was too late.

No one can predict the future. Instead, great estate plans should prevent problems from becoming crises, and that's the peace of mind we're helping to create.