A Wealth Manager’s Guide to Prenups and Postnups: Savvy Strategies for Protecting Assets in Divorce

By THE PARTNERS OF MEYER, OLSON, LOWY & MEYERS, LLP

Wealth managers and other financial professionals understand the importance of advance planning to protect their clients’ assets. For the wealthy and those with significant holdings about to get married, a well-drafted prenuptial (prenup) agreement serves as protection against a costly, acrimonious divorce in the event that the marriage ends. A prenup can help ensure that a business owned by one partner stays intact. It can also empower both partners to better communicate and make future financial decisions with honesty, openness and mutual respect.

As trusted counselors on a range of matters that impact their clients’ financial profiles, it behooves wealth managers to become more knowledgeable about the protections prenups can provide and feel confident in having conversations with clients about consulting a family law attorney.

The first question many people have is just who needs a prenuptial agreement? People who fit into any of these categories are those for whom we strongly recommend a prenup as a prerequisite to marriage.

Business Owners
A family law attorney can help business owners draft a prenup that defines the parties’ expectations regarding the ownership, income, appreciation, and valuation of a business. It is also possible for the prenup to have the business designated as separately owned property.

Because of the complexity of the characterization and valuation of businesses, litigating those kinds of issues may become very acrimonious and expensive involving forensic accountants and other costly experts. Without a prenup, we have seen the costs of litigation decimate parties’ estates and wipe out a business on numerous occasions. Take the case of the owner of a single restaurant business who went on to open multiple locations by the time of the divorce. Having put significant sums back into his growing chain, he didn’t have the cash liquidity to buy out his wife and ended up losing the business. The future valuation of, and interest in a business can be resolved ahead of time in a prenup to help avoid this kind of disastrous situation.

High-Net Worth Families
For people who stand to inherit significant assets, a prenup can protect their future inheritance and the income derived therefrom. Wealthy parents often initiate the prenup on behalf of a child about to marry. A typical scenario is the twenty-something couple that is just starting out together, entering the marriage with few assets in their names and seeing little need for a prenup. Concerned about passing on generational wealth, well-to-do parents will press and encourage their child to enter into a prenup.

High-Profile Careers
For those embarking upon what could be a highly lucrative career (such as professional athlete, entertainer, doctor or high-tech entrepreneur), a well-drafted prenup can include provisions such as the characterization of income and the terms of spousal support in the event of divorce, regardless of future financial success. For celebrities and others who value their privacy, the prenup can include strict confidentiality provisions and the requirement of a private judge to resolve their divorce outside of the limelight of a public courtroom.

Frequently prenups for athletes, actors and others in the entertainment industry will specifically designate the mementos and collectibles that they acquire during the course of their career as separate property. Otherwise all those original scripts, Grammy Awards and Super Bowl Rings could be characterized as community property and the subject of dispute.

Mature Adults
Older adults, particularly those with children from a prior relationship and those who are veterans of a bitter divorce, tend to see the value of prenups. For people who have children from prior relationships, the issue of generational wealth also arises. A prenup is a way for them to help make sure their adult children and grandchildren are protected should the new marriage end in divorce.

A postnuptial agreement, which offers similar protections to a prenup, is also a valuable option after the wedding for people in the situations described above.

If any of these descriptions apply to your clients, a good first step is to recommend scheduling an informational consultation with a family law attorney. In these meetings, the attorney will review and discuss their assets, financial situation and goals, and can also offer suggestions on how to broach the subject of a prenup with his or her future spouse.

It’s important to know that prenuptial negotiations don’t have to be combative. When we’re finished signing, it’s not uncommon to have hugs all around the table. In fact, we often receive invitations to the wedding from the couple.

Taking a proactive approach to protecting assets becomes even more critical when a person without a prenup finds the marriage is on the rocks and is beginning to think about divorce. We suggest that a future client consider having an early informational interview with a family law attorney as soon as they begin contemplating divorce.

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This meeting will help them understand their legal rights, obligations and exposure within the context of their individual situation and what they need to think about in planning for the divorce process.


This special advertising supplement did not involve the reporting or editing staff of the Los Angeles Business Journal.
Maximizing Value when Selling a Business

By PARDIS NASERI

A t some point, most successful business owners contemplate selling their business to realize the benefit of their lifetime endeavors. Hard work — a once-in-a-lifetime opportunity for most. Unfortunately, the extremely sophisticated M&A industry places entrepreneurs, disadvantaged by size and experience, against larger companies and private equity firms with skilled M&A professionals. While the buyers are looking for a great deal, the selling entrepreneurs must try to preserve the value of their enterprise.

A successful sale maximizes value for the seller in an efficient process with minimal disruption to the business operations. This comes about through clear leadership, advanced planning, preparation, and proper positioning. Owners and entrepreneurs should keep the following in mind.

Hiring the Right Advisors

A sale process can be extremely complex. M&A savvy companies and private equity firms have in-house experts that can lead the process and manage external advisors. Entrepreneurs and first-time sellers without internal M&A resources should strongly consider engaging a lead advisor to help them with M&A readiness, transaction execution and post-close transition. This lead advisor will analyze the business and determine which, if any, additional advisors are needed. For instance, investment bankers specialize in marketing the business and identifying potential buyers, accountants perform financial and tax reviews, while attorneys structure the transaction and draft contracts and purchase agreements. The continuous direction and involvement from a lead advisor, combined with the support of specialist advisors, helps achieve maximum value for the owner and entrepreneur.

Telling an Accurate and Persuasive Story

The story of the business has to make sense, have a logical flow and, most importantly, reflect reality. The operating history of the business, its current state, growth prospects and reason for divestiture are only part of the story. A sophisticated buyer will also want details around the financial and operational performance of the business, value drivers, products, key customer and vendor relations, ships, as well as market position and differentiation. In addition, historical difficulties and current challenges to the business should be proactively addressed and properly positioned.

Supporting the Story

One of the most important, yet overlooked, parts of a divestiture is ensuring that the underlying financial and operational data support the story. The buyer will perform a detailed financial and operational review of the business with the lack M&A transaction experience. Furthermore, the internal key performance indicators and financials used by the management may not best present the value of the business to a potential buyer. In addition to conducting a detailed review of the business, an experienced M&A advisor can determine if the current format and presentation of the financials and operating metrics are the most complimentary to the business for value maximization in the context of a sale process.

Maximizing value in a divestiture is not a secret, but rather a formula that often involves leveraging the appropriate advisors to help craft an accurate story that is supported with facts and information released in a controlled and curated manner.

Managing the Information Flow

Equally, if not more important, is the level of detail and timing of information transmitted to the buyer. The divestiture process creates a relationship between the seller and buyer that requires discretion. The financial and operational data provided must support the seller's story and still withstand the buyer's scrutiny during diligence. The ultimate challenge is to safeguard trade secrets while highlighting the strengths of the business and providing a complete and accurate picture.

Maintaining this delicate balance is more of an art than a science and is specific to each business and process. An experienced M&A advisor can structure and manage the information flow in order to pre-empt and mitigate the buyer's diligence concerns. This creates comfort for the buyer and builds trust that leads to a faster transaction at a higher valuation.

In Summary

A successful divestiture is measured not only by closing the transaction, but also by the efficacy and efficiency of the sale process and, most importantly, realizing maximum valuation. Maximizing value in a divestiture is not a secret, but rather a formula that often involves leveraging the appropriate advisors to help craft an accurate story that is supported with facts and information released in a controlled and curated manner.

Parjis Nasseri has advised on over $20 billion of successful M&A transactions. He is Managing Director and leads the Divestitures practice of Pardis Tree Advisors, an M&A consulting firm specializing in working with business owners contemplating a divestiture or acquisition. Contact pardis@palmtreeadvisors.com.

The End of the Era

By KEN SULLIVAN

In his new book, A Force for Good: How Enlightened Finance Can Restore Faith in Capitalism, John Taft, CEO of RBC Wealth Management U.S., invites more than 20 respected financial minds — selected for their expertise and fresh perspectives — to provide insights on a path forward for the industry, moving past the crisis of 2008. Taft recently answered a few questions about why he wrote the book and what he believes is finance’s role in society.

Q: Why did you write A Force for Good?

I hope to kick start a more constructive dialogue about what financial sector needs to do to consistently contribute to positive social goals. Much of the narrative since the financial crisis has focused on looking backwards, pointing fingers, assigning blame, identifying villains and meting out punishments. That was an inappropriate and necessary phase in our recovery. But now we need to change the conversation by looking forward, developing a road map for what still needs to be done to help position finance for the future.

Q: What is the main idea?

Finance has long been, and can be again, a “force for good” in society. However, in order for that to happen, we need to work to align what finance does and can do with what society wants and expects from us. That varies depending on who you ask, but one central theme has emerged: While economic growth is critical, society no longer wants growth at all costs. We want economic growth balanced with stability, sustainability, inclusiveness and intergenerational equity.

Q: How do you define “Enlightened Finance”?

“Enlightened Finance” is defined by hope. It’s about innovating to solve problems like the retirement savings crisis. It’s about funding research to cure diseases. It’s about preserving the environment as we create jobs. And it’s about making sure everyone’s standard of living and quality of life improves as the economy grows. Enlightened finance goes beyond “responsible finance” to ask what finance can do to make the world a better place.

Q: How is “Enlightened Finance” different from regulatory reform?

Completing regulatory reform is certainly a critical stepping stone on the path to enlightened finance. It will help return the industry to more responsible behavior. But, enlightened finance is about more than regulating behavior. It is about fostering a culture of stewardship to underpin the mission, values, purpose and behavior of and in our industry. It’s about thinking about our role in society as a means to greater ends.

Q: What greater ends should finance be serving?

Finance is a critical enabler of capitalism, of economic activity. In a very basic sense, what financial firms do is match up people who have money with people who need money, and do it in a way so that economic risks are managed, growth is maximized, resources are efficiently allocated and standards of living are enhanced. Ultimately, finance should serve society.

Proceeds from Taft’s book will be donated to the CFA Institute Future of Finance Initiative and the SIMFA Foundation.

Ken Sullivan is Complex Director of RBC Wealth Management’s Southern California offices. For more information visit www.rbcwm-usa.com.

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ABA Shares Consumer Tips for Budgeting, Saving and Reducing Debt

The American Bankers Association is highlighting personal finance resources and urging consumers to take an active role in managing and protecting their money. National Consumer Protection Week, observed last month, was a campaign that encouraged consumers nationwide to take full advantage of their consumer rights and make better-informed decisions.

“Banks implement numerous safeguards to protect their customers’ money and information, and they also provide consumers with critical tools to make informed decisions,” said Frank Keating, ABA president and CEO. “There are many actions consumers can take to control their financial future and keep their money safe.”

ABA’s consumer site—ABA.com/Consumers—features personal finance tips and resources on topics such as mortgages, credit cards, protecting your money, saving for college and more. It also includes interactive calculators that can be useful when making decisions regarding home and personal financing, investments, retirement and leasing.

ABA recommends that consumers follow these tips to assess their finances, gain control and stick to a new budget or saving plan:

Create a Budget
- Track your income and expenses to see how much money you have coming in and how much you spend. If you have debt, establishing a budget will help you to pay down your debt while saving.
- Identify how you spend your money.
- Set realistic goals, especially if you plan to cut some of your expenses.
- Track your spending and review your budget often.

Reduce Your Debt
- Establish a budget to pay down debts while you save. Points to consider when cutting debt:
  - Pay more than the minimum due and pay on time.
  - Pay off debt with higher interest rates first.
  - Transfer high rate debt to credit cards with a lower interest rate.

Save for the Unexpected and Beyond
- Pay yourself first. Saving is important; it helps ensure that you can endure financial surprises. No matter how old you are, it’s never too late to begin saving.
- Save at least 10 percent of your income for retirement. Enroll in a retirement plan or consider optimizing an established retirement plan. Contribute at least the maximum amount that your employer will match, and increase your contribution as your income increases.
- Financial advisors often recommend keeping about three months’ salary in a savings account in case of financial emergencies like hospital bills or loss of job.
- If you receive direct deposit at work, ask your employer to send a specific amount to your savings account. Because the money is put into an account before you have a chance to spend it, automatic savings plans are an easy and convenient way to save. If your employer doesn’t offer direct deposit, many banks allow for automatic transfers from checking to savings accounts.

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The American Bankers Association is the voice of the nation’s $15 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard $11 trillion in deposits and extend more than $8 trillion in loans.

The California Bankers Association and Beacon Economics Release California Banking Industry Intelligence Report

Report provides a state of consumer finances for 2014

The California Bankers Association (CBA) and Beacon Economics have released a sixth California banking report that examines important issues currently affecting California’s banks and the overall economy. The report is authored by Chris Thornberg, Ph.D., founding partner, and Jordan Levine, economist and director of economic research, at Beacon Economics. This report begins with an economic overview of the nation and of California, and then takes a closer look at the state of consumer finances and bank lending trends. Among the report’s key findings:

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- This report begins with an economic overview of the nation and of California, and then takes a closer look at the state of consumer finances and bank lending trends. Among the report’s key findings:
  - The Federal Reserve reported a total debt service ratio of 9.9, meaning it takes less than 10% of a household’s disposable income to service its debt obligations. That number was 13% in 2009.
  - Despite overall reductions in the cost of consumer debt, families have an increased appetite for debt associated with installment loans, particularly education loans. From 2010 to 2013, the median family debt related to installment loans increased 8.1% to $14,600. In addition, the proportion of total family debt associated with installment loans now comprises 13.1%, compared to only 11.8% in 2000. This is in contrast to the decreased proportion of debt associated with secured residential property and credit card balances.
  - The number of distressed mortgages continue to plummet across California, with double-digit reductions in both defaults and foreclosures through the first nine months of 2014. The report also notes that the pace of bank lending in California has outpaced that of the U.S. in a variety of loan categories. In particular, construction and land development loans in California, which grew by 22.4% from the first two quarters of 2013 to the first two quarters of 2014, easily outpaced the national growth rate of 6.9% over that same time. California bank lending is also outpacing the nation in a variety of real property loans including commercial real estate loans, multifamily residential and 1-4 family residential loans.
  - “We are very pleased to see California’s banks continue to increase their lending, and support our state’s impressive economic recovery, which continues to outpace the nation’s recovery,” said Rodney Brown, president and CEO of the CBA.
- The report concludes with observations from the authors about the recent announcement from Fannie Mae and Freddie Mac to purchase mortgages with down payments as low as 3%. According to the new rules, these loans would be allowed only for fixed-rate mortgages on single-family homes that would be the borrower’s primary residence and would require full documentation of the ability to repay the mortgage. A low down payment coupled with fairly strict lending standards is targeted specifically at potential homeowners with proven credit worthiness, but who are in the lower to middle-end of the income spectrum.

This is a calculated move by Fannie Mae and Freddie Mac to move towards slightly looser standards without being perceived as moving the needle too quickly or recklessly. Thus, the move will provide some modest boost to the housing market, but because of its limited reach, is far from a panacea,” concluded the report’s authors.

Established 124 years ago, the California Bankers Association (CBA) is one of the largest state banking trade associations in the country. CBA leads the way in developing relevant legislative and educational solutions to some of California’s more pressing financial and banking issues, including financial empowerment, identity theft, financial privacy, and financial elder abuse. CBA’s membership includes the majority of California’s commercial, industrial and community banks and savings associations. For more information, visit www.calbankers.com.

Beacon Economics, LLC is an independent economic research and consulting firm with offices in Los Angeles and the San Francisco Bay Area. The firm delivers economic analysis and data sites that help their clients make informed, strategic decisions about investment, growth, revenue, policy, and other critical economic and financial issues. Their nationally recognized forecasters were among the first to predict the collapse of the housing market and forecast the extent and depth of the economic downturn that followed. Core areas of expertise include economic and revenue forecasting, market and industry analysis, economic impact studies, economic policy analysis, and international trade analysis.
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A Closer Look at Financial Advisors and the Important Role they Play

In a society that grows more complex every day, consumers are presented with the constant pressures of family, career, and community responsibilities and personal enrichment. The financial marketplace is ever-changing with new laws, regulations, economic events, market changes, product offerings and conflicting media messages. Making the right financial moves at the right time is critical to achieving security and accomplishing personal objectives.

A personal advisor guides the financial planning process: goal identification, data organization, analysis, problem identification, recommendations, and most important - plan implementation and results monitoring. Your advisor will help you save, spend, invest, insure and plan wisely for the future.

What is the RFC Designation?
The Registered Financial Consultant (RFC) is a professional designation awarded by the International Association of Registered Financial Consultants to those financial advisors who can meet the high standards of education, experience and integrity that are required of all its members.

The IARFC is a non-profit professional credentialing organization of proven financial professionals formed to foster public confidence in the financial planning profession, to help financial advisors exchange planning techniques, and to give deserved recognition to those practitioners who are truly committed to ethical standards and continuous professional education.

Because there are no consistent licensing requirements for the various persons who call themselves "financial planners" the public has a critical need for a method of distinguishing the qualified and dedicated financial advisor.

What is the purpose of the IARFC?
The primary purpose of the IARFC is to provide the public with a convenient access to a pool of well-qualified practitioners from which to choose a personal financial advisor. It is the only professional organization that requires all of its members to meet and document seven stringent requirements of education, experience, examination, integrity, licensing, ethics and a significant amount of continuing professional education.

RFC Examination Process

RFC continuing education requirements: Each year the RFC must complete a minimum of 40 units (hours) of professional continuing education. This includes college courses, educational symposiums, credentialing courses, distance learning programs and practitioner conferences. Many RFCs are instructors at colleges and conferences.
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Wealth Management

Five Smart Uses for Your Tax Refund

ABA offers consumer tips for putting tax refunds to good use.

Nearly eight out of 10 U.S. tax filers will receive a federal tax refund this year. As millions of Americans await reimbursement from Uncle Sam, the American Bankers Association has highlighted five tips for making the most of their tax refund.

“Smart use of your tax refund can start you on the path to long-term financial security,” said Frank Keating, ABA president and CEO. “Instead of going on a spending spree, take a moment to evaluate your financial situation and decide on where those dollars will make the most difference.”

ABA recommends the following tips for consumers looking to put their tax refund to good use:

• Save for emergencies. Open or add to a high-yield savings account that serves as an “emergency fund.” Ideally, it should hold about three-to-six months of living expenses in case of sudden financial hardships like losing your job or having to replace your car.

• Pay off debt. Pay down existing balances either by chipping away at loans with the highest interest rates or eliminating smaller debt first.

• Save for retirement. Open or increase contributions to a tax-deferred savings plan like a 401(k) or an IRA. Where can you get one? Your bank can help set up an IRA, while a 401(k) is employer-sponsored.

• Put it toward a down payment. The biggest challenge that most first-time home buyers face is coming up with enough money for a down payment. If you intend to buy a new home in the near future, putting your tax refund toward the down payment is a smart move.

• Invest in your current home. Use your refund to invest in home improvements that will pay you back in the long run by increasing the value of your home. This can include small, cost-effective upgrades like energy-efficient appliances that will pay off in both the short and long term. If you have more substantial renovations in mind, your bank can help with a home equity line of credit.

For more tips and resources on a variety of personal finance topics such as mortgages, credit cards, protecting your identity and saving for college, visit aba.com/Consumers.

The American Bankers Association represents banks of all sizes and charters and is the industry voice for the nation’s $14 trillion banking industry and its two million employees. Learn more at aba.com.

Why Purchase Life Insurance?

We’ve all heard about the importance of having life insurance, but is it really necessary? Usually, the answer is “yes,” but it depends on your specific situation. If you have a family who relies on your income, then it is imperative to have life insurance protection. If you’re single and have no major assets to protect, then you may not need coverage.

In the event of your untimely death, your beneficiaries can use funds from a life insurance policy for funeral and burial expenses, probate, estate taxes, day care, and any number of everyday expenses. Funds can be used to pay for your children’s education and take care of debts or a mortgage that hasn’t been paid off. Life insurance funds can also be added to your spouse’s retirement savings.

If your dependents will not require the proceeds from a life insurance policy for these types of expenses, you may wish to name a favorite charity as the beneficiary of your policy.

Whole life insurance can also be used as a source of cash in the event that you need to access the funds during your lifetime. Many types of permanent life insurance build cash value that can be borrowed from or withdrawn at the policyowner’s request. Of course, withdrawals or loans that are not repaid will reduce the policy’s cash value and death benefit.

When considering what type of insurance to purchase and how much you need, ask yourself what would happen to your family without you and what type of legacy you would like to leave behind. Do you want to ensure that your children’s college expenses will be taken care of in your absence? Would you like to leave a sizable donation to your favorite charity? Do you want to ensure that the funds will be sufficient to pay off the mortgage as well as achieve other goals? Life insurance may be able to help you meet these objectives and give you the peace of mind that your family will be taken care of financially.

The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased. As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications. Any guarantees are contingent on the financial strength and claims-paying ability of the issuing insurance company.

If you are considering the purchase of life insurance, consult a professional to explore your options. This material was written and prepared by Emerald.

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Eight Ways to Outwit an Identity Thief

ABA provides consumer tips for National Cybersecurity Awareness Month

The American Bankers Association is offering tips for consumers to protect their financial identity.

“Financial fraud, including identity fraud, is a very real risk that must be taken seriously,” said Frank Keating, ABA president and CEO.

Identity fraud occurs when a criminal obtains and misuses someone’s personal information without permission, typically for economic gain. For many victims, it can result in drained bank accounts, poor credit and a damaged reputation. “The best way to contend with financial fraud is to prevent it from ever happening in the first place,” said Keating.

“Banks use sophisticated technology and monitoring techniques, intricate firewalls and other methods of securing customer data, but there are steps consumers must take as well.”

This initiative is part of ABA’s Get Smart About Credit Day, when volunteer bankers across the country will help teens and young adults protect themselves and others from becoming a victim of identity fraud.

ABA offers the following tips:

• Don’t share your secrets. Don’t provide your Social Security number or account information to anyone who contacts you online or over the phone.

• Protect your PINs and passwords and do not share them with anyone. Use a combination of letters and numbers for your passwords and change them periodically. Do not reveal sensitive or personal information on social networking sites.

• Shred sensitive papers. Shred receipts, bank statements and unused credit card offers before throwing them away.

• Keep an eye out for missing mail. Fraudsters look for monthly bank or credit card statements or other mail containing your financial information. Consider enrolling in online banking to reduce the likelihood of paper statements being stolen. Also, don’t mail bills from your own mailbox with the flag up.

• Use online banking to protect yourself. Monitor your financial accounts regularly for fraudulent transactions. Sign up for text or email alerts from your bank for certain types of transactions, such as online purchases or transactions of more than $500.

• Monitor your credit report. Order a free copy of your credit report every four months from one of the three credit reporting agencies at annualcreditreport.com.

• Protect your computer. Make sure the virus protection software on your computer is active and up to date. When conducting business online, make sure your browser’s padlock or key icon is active. Also look for an "s" after the "http" to be sure the website is secure.

• Report any suspected fraud to your bank immediately. The faster you let them know, the faster they can begin to resolve your program.

The American Bankers Association is the voice of the nation’s $15 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard $11 trillion in deposits and extend more than $8 trillion in loans. Learn more at aba.com.
Wealth Management Tips for the Sandwich Generation

The term Sandwich Generation has changed meaning since it was first coined back in 1981 by social worker, Dorothy Miller. The phrase originally described women between ages 30 through the 40s who were “sandwiched” between their young children, spouses, employers and aging parents.

Today, it still refers to a challenging juggling act, but the demographics have changed — now their parents are living longer and the experience is felt by both men and women in their 50s and beyond. Because of this extended life expectancy, the costs incurred by the Sandwich Generation can add up, even if your parents have been diligent about saving for their own future care. And then there’s a group called “club sandwich” or “triple decker” to describe caregivers of three generations: their parents, kids, and either grandparents or grandchildren.

According to the Pew Research Center, 1 of every 8 Americans aged 40 to 60 is raising a child and caring for a parent. When you consider that Census Bureau statistics indicate that the number of older Americans aged 65 or older will double by the year 2030, to over 70 million, it’s critical that sandwich generation cohorts not lose sight of their own financial goals even as they support their families.

Here are a few useful tips:

• Start a college savings plan for your younger children. Your financial responsibilities to your children must take precedence over those to your parents, because who else can your children look to?

• Set priorities and boundaries with adult children. If your adult child is unable to find a job and turns to the Bank of Mom and Dad for help, you must define some limits and repayment terms, and do it in writing.

• Who will care for the aging parent? Caring for the elders can take an emotional toll, because not all siblings and family members will agree on how to take care of a parent. Put your expectations and limits of time and money to be spent in writing, especially for the benefit of other siblings or family members — who will be the primary caregiver, and who will pay for what, etc.

• Keep all documents handy. Decide who will manage and keep all records that are related to advanced and end-of-life care, plus power-of-attorney for medical care and financial matters.

• Protect your own means of livelihood. Avoid leaving or taking an extended break from your job, as retirement benefits and Social Security will be permanently decreased. Trying to re-enter the workforce at the previous pay level may not be possible.

• Merge households. It may not be the most harmonious living arrangement, but older parents living with adult children definitely saves money on expenses like home owner’s insurance, taxes, child care, long-term care, and so on.

• Don’t dip into your retirement savings. Never compromise your own financial future to take care of a parent. You risk passing on the loss to your own children.

• Continue saving despite family obligations. Although you may feel strapped between your mortgage, raising children, and shouldering some of the cost to care for your parents, try to sock some money away.

• Encourage long-term care insurance for parents. The sooner they buy it, the less expensive it should be, so don’t wait until your parents are in their 70s and/or get ill before you bring up the subject.

• Government assistance. Check your local government Medicaid office to see if there are any reimbursement programs for caretakers under the state and federal government’s Cash & Counseling program. Reaching out to the people and organizations that can help you and taking some financially wise steps can transform the job of supporting family from a burden to an obligation of love and pride.

• Seek professional financial guidance. Being a part of the sandwich generation can be tough emotionally and financially. A professional money manager can offer advice on the best solutions for all concerned.

Information provided by McGee Wealth Management and Raymond James Financial Services.