Comprehensive Asset Planning Guide

and Platinum Club Overview

McKenzie Legal & Financial

Thomas L. McKenzie, JD
Attorney at Law
Investment Advisor Representative
2631 Copa De Oro Drive
Los Alamitos, CA 90720
Phone: 562-594-4200 ♦ Fax: 562-394-9512

Introduction

Greetings, and thank you for your interest in our Asset Planning Guide.

Generally, those who desire a cohesive and comprehensive plan for the management, enhancement, and protection of their assets concentrate their efforts in four substantive areas.

The FIRST area of concern is estate planning. Estate planning involves developing a plan to manage your assets during your life, and upon your death. Ironically, most people spend their lives working hard to earn enough money and property to make the lives of their children, their spouses and/or other loved ones happier, wealthier, and more secure, but yet most will fail to do the one thing that is essential to make sure those we care about receive the fruits of our labor—they fail to plan for them, because they fail to adequately plan their estates. Only two of every five Americans even have a Will, let alone a Living Trust and other important documents. And of those who have taken the time to plan their estate, great numbers of them have inadequate, cookie-cutter documents which, when push comes to shove, fail to provide important protections to themselves and their families.

The SECOND area of concern is tax planning. Tax planning, simply put, is utilizing tax laws, rules and regulations in order to pay as little of your hard-earned money as possible, to the various federal, state and local taxing entities.

The THIRD area of concern is developing a plan to better utilize your financial assets, and one that makes sense for you and your family. The purpose of proper planning is to help individuals and families achieve their life goals through proper management of their finances. This process allows them to see where they stand financially and determine what steps they must take to reach their objectives. These strategies may address one or more of the following: your cash flow management, your investment management, certain tax reduction strategies, your insurance assessment, your retirement planning, your beneficiary provisions, and if you have a business, your business succession planning. And, of course, any plan which is developed for you should be consistent with your goals and your overall tolerance for risk.

The FOURTH area of concern is asset protection planning. No matter how hard we work, and how much we earn, if we fail to address the potential loss of our assets due to unexpected medical or long-term care costs, unnecessary and costly court procedures, divorcing spouses or potential lawsuits, the fruits of our labor could be in jeopardy.

In the following pages, is a general discussion of these various issues. We hope you enjoy this complimentary Asset Planning Guide, and if you would like specific advice in any areas of our practice, which includes financial consulting, estate planning, elder law, asset protection planning, and special needs planning, we would be happy to help!

Author's Background and Bio

This guide has been developed by Thomas L. McKenzie, JD
Attorney at Law / Registered Investment Advisor / Realtor®

As a result of an exceptionally high score on the LSAT examination, Mr. McKenzie was given a scholarship to Western State University College of Law, in Fullerton, California, where he began classes in 1990. While working full-time at night, and attending full-time daily classes, Mr. McKenzie graduated law school with honors, in mid-1993. While at law school, he was on the Dean's List, and received several American Jurisprudence Awards for excellence in academics. In addition, Mr. McKenzie was the recipient of the Scott McCune Memorial Scholarship. Finally, in his second and third years at law school, Mr. McKenzie was selected as Associate Editor of Western State's Law Review. His law review article entitled, *United States v. Fordice: Does the End of "Separate and Unequal" In Higher Education Also Spell the End of Historically Black Colleges?,* was published in the Western State University Law Review in 1993, and is still available online and in libraries throughout the country.

Upon passing the bar on his first attempt, Mr. McKenzie's initial employment was at a financial advisory firm. After intensive training, it was there that he realized the tremendous benefits that an estate planning and elder law attorney, who was also an experienced financial advisor, could provide to middle-class and upper middle-class individuals and families. In 1994-1995, Mr. McKenzie established his firm, which provides comprehensive estate planning, financial advisory, elder law, and asset protection services to his clients. And, because of the multiple, but related, areas of his practice, he can provide comprehensive and protective legal and financial services to his client, at much less cost to the consumer.

Mr. McKenzie is a member of the California State Bar, as well as the Trust & Estates Section of the Bar. He is an active member of the National Academy of Elder Law Attorneys, and was a member of their National Multidisciplinary Task Force. Mr. McKenzie is a member of the Orange County Bar Association, and is a past Chairman of Board of the Elder Law Section of the Orange County Bar. And finally, Mr. McKenzie is an accredited attorney by the United States Veterans Administration.

Mr. McKenzie has written numerous articles for various publications and legal periodicals, including the Los Angeles and San Francisco Daily Journals, the National Academy of Elder Law Attorneys' NAELANEWS, the Gilfix Elderlaw Newsletter, the Leisure World News, the Los Cerritos Community News, and the Orange County Bar Association's Elder Law Section Newsletter. He frequently lectures on estate planning, financial planning, elder law, and Medi-Cal long-term care planning issues. Mr. McKenzie has been an expert panelist on programs sponsored by Continuing Education of the Bar (University of California), Orange County Bar Association, and California Advocates for Nursing Home Reform.

Mr. McKenzie is also a Series 7 licensed securities broker and Registered Representative, a licensed independent insurance broker, and a Series 65 Investment Advisor Representative. In 2011, 2012, 2019, 2020, 2021, and 2022 Mr. McKenzie was featured in Los Angeles and Orange Coast Magazines as a Five Star Wealth Manager Award Winner, which was an award that was given to less than 2% of all wealth managers in Southern California. Also in 2011, Mr. McKenzie was a featured wealth adviser in Newsweek Magazine. Tom has been a real estate broker for over 20 years, and now operates his independent real estate brokerage firm called NextHome Estates Realty Group.

With an understanding of both legal, real estate and financial issues, Mr. McKenzie is uniquely qualified to advise his clients in truly comprehensive estate and financial planning. Mr. McKenzie resides in Orange County with his wife, Natalie, and their three children: Macy, age 20; Cody, age 14; and Noah, age 12. The firm offers estate planning, financial consulting, elder law, asset protection strategies and long-term care planning to consumers throughout California.

Estate Planning

Estate planning involves developing a plan to manage your assets during your life, and upon your death. Ironically, most people spend their lives working hard to earn enough money and property to make the lives of their children, their spouses and/or other loved ones happier, wealthier, and more secure, but most will fail to do the one thing that is essential to make sure those we care about receive the fruits of our labor—they fail to plan for them, because they fail to adequately plan their estates. Only two of every five Americans even have a Will, let alone a Living Trust and other important documents. And of those who have taken the time to plan their estate, it has been my experience that the vast majority of them have inadequate, cookie-cutter documents which, when push comes to shove, fail to provide important protections to themselves and their families.

LIVING TRUSTS

A living trust is an arrangement under which one person, called a trustee, holds legal title to property for another person, called a beneficiary. You can be the trustee of your own living trust, keeping full control over all property held in trust. A "living trust" (also called an "inter vivos" trust) is simply a trust you create while you're alive, rather than one that is created at your death. Different kinds of living trusts can help you avoid probate, reduce estate taxes, or set up long-term property management.

Just like a will, a living trust spells out exactly what your wishes are in regard to your assets, your dependents and heirs. A will becomes effective only after you die and the will has been entered into probate. A living trust bypasses the costly and time-consuming process of probate, allowing your trustee to carry out your instructions at death and also if you become unable to manage your finances, healthcare or legal affairs due to incapacity.

There are two types of living trusts:

> **Revocable Living Trust**: With a revocable living trust, you transfer all of your assets into the ownership of the trust. You retain control of those assets as the trustee of your revocable living trust. You can change or revoke the trust at any time you want. The assets in the trust pass directly to your beneficiaries without going through probate upon your death. The vast majority of individuals and couples who establish a living trust, establish a "revocable" trust as the basis of their estate plan.
>
> **Irrevocable Living Trust**: An irrevocable trust allows you to permanently and irrevocably give away your assets during your lifetime. Usually, after you give away these assets, you have relinquished all control and interest in these assets. Due to that fact, these assets are no longer considered part of your estate and aren't subject to estate taxes. Irrevocable trust may also provide certain asset protection benefits, because you no longer own the assets of the trust.

All living trusts are not the same. As a matter of principal and professional ethics, Mr. McKenzie personally drafts every estate planning document for every one of his clients, and gives each of his clients his personal attention. Unfortunately, it has been our experience after reviewing thousands of trusts drafted by our competitors, that the vast majority of Living Trusts and other estate planning documents drafted today, are boilerplate documents, cranked out on a computer software program. As a result, many crucial provisions are often left out. For example, if someone were to become incompetent and require nursing home care, under California law, we can do much to protect their assets, as well as their home. However, if that person is no longer competent to sign documents, then we must rely upon the plan they already have in place. If that plan does not adequately address long-term care asset protection issues, the individual or couple may lose thousands, even hundreds of thousands of dollars unnecessarily. If, on the other hand, the recipient of long-term care services had established his or her plan through our office, under current law we could protect their principal residence, and a substantial amount (or even all) of their liquid assets. It is, indeed, crucially important to make sure your documents are comprehensive enough to cover a multitude of issues, and flexible enough to adjust to changing circumstances.

Other extraordinary provisions which, upon your option, may be included in our Estate Plans which are generally not found in typical estate planning documents drafted by other firms include, but are not limited to:

- Several alternate provisions to reduce or eliminate estate taxes on the passing of a spouse;
- Provisions to reduce or eliminate capital gains taxes on appreciated properties on the passing of a spouse;
- Provisions which assure that your trust may be amended or modified at any time, **without** a required court petition;
- Provisions which protect the inheritance of your minor beneficiaries;
- Provisions which protect the inheritance of your beneficiaries from possible losses due to divorce, lawsuits, etc.;
- Provisions which protect the inheritance of your beneficiaries from possible losses due to their own improvidence (e.g. drug use, gambling, incarceration);
- Provisions which assure that if you have a disabled beneficiary, or if you have one who becomes disabled in the future, his or her share is protected against loss due to complex public benefits laws; and
- Provisions which provide that any trust which survives you and becomes irrevocable, may still be updated and modified without having to spend thousands of dollars for a court order.

It is due to the comprehensive and flexible nature of our documentation, that for the entire duration of Mr. McKenzie's professional experience, **not one of his clients** who have established his comprehensive plan, has ever had to resort to a court to protect their assets, modify their documents, or otherwise accomplish any needed or beneficial objective.

It is impossible to know whether a Living Trust based estate plan is drafted properly and comprehensively without reviewing the documents themselves. To assure maximum protection, this review should be conducted by an attorney with a superior level of competence in "comprehensive" estate and long-term care planning procedures. Many couples and individuals who already think they are "protected" under their current plan, may have significant deficiencies. Unless these defects are corrected BEFORE problems arise, serious consequences could follow.

WILLS

A Will or Last Will and Testament is a legal declaration by which a person, the Testator, names one or more persons to manage his or her estate, and provides for the distribution of his or her property at death.

The estates of those who pass away without a Will, will be required to go through the expensive and time-consuming probate process, unless the value of their probatable estate is less than $150,000. Because there is no Will or Trust, the beneficiaries of the estate will be those determined by the State of California under the law of Intestate Succession.

The estate of those who have established a Will as the basis of their plan (meaning, that they do not have a Living Trust), will also be subject to the probate process, as described above, however, the beneficiaries of the estate will be those persons and/or entities as set forth in the Will.

Those who have established a Living Trust as the basis of their plan, will still have a Will, but the type of Will used with a trust-based plan is called a "Pourover Will." A Pourover Will names your executors, just like a standard Will, however, the "beneficiary" of your Pourover Will is your Living Trust. This provides for the uniform administration of your estate when you pass away.

DURABLE POWERS OF ATTORNEY

A Durable Power of Attorney is a legal document that gives someone you choose the power to act in your place. In case you ever become mentally incapacitated, you'll need what are known as "durable" powers of attorney, so that your agent

can assist you without having to initiate an expensive court procedure (e.g. a conservatorship). The Durable Power of Attorney is one of the most important documents of your comprehensive estate plan, even for those who have a Living Trust, for although the Successor Trustee of your Living Trust can step in and manage your trust property if you cannot do so yourself, there are many other issues which arise outside of the purview of your Living Trust. For example, you may have qualified accounts which cannot be transferred to your trust (e.g. IRAs, 401(k)s, etc.); you may need someone to sign a document on your behalf; or you may need someone to assist in protecting your assets if you have extremely high medical or long-term care costs. Your agent under your Power of Attorney will be a crucial part of your overall management and asset protection plan. Remember, that if something needs to be done to protect you or your estate, and you either do not have a plan, or your plan is not comprehensive enough to accomplish the needed task, an expensive court procedure would need to be established to authorize someone to assist you. It has been our experience that our comprehensive and flexible estate planning documents have eliminated the need for this expensive procedure, and at the same time, made sure that your wishes would be carried out in accordance with your stated objectives, by someone of your choosing, rather than someone appointed by a court.

And please remember, just like the discussion of Living Trust, above, all Durable Powers of Attorney are not the same. Most, just like the trusts we discussed above, are one-size-fits-all computer-generated documents. They routinely lack certain important provisions, the absence of which could cause you and your loved ones severe problems. A custom-drafted, comprehensive Durable Power of Attorney is an essential part of your overall estate plan.

ADVANCE HEALTH CARE DIRECTIVE

Generally, an Advance Health Care Directive is a document under which you give instructions about your own health care; you name someone else to make health care decisions for you, if you cannot make them yourself; and you set forth your wishes regarding the administration of life support in the event that you are, for example, in a coma or persistent vegetative state. As with the other documents we have discussed, the Advance Health Care Directive is an extremely important component of your overall estate plan.

CONCLUSION

The above documents are those primarily used in the estate planning context, however, because all plans drafted by Mr. McKenzie are custom-drafted for each client, there may be additional documentation which is necessary or advantageous, depending upon your circumstances. For example, some circumstances which may benefit from additional documents or drafting could include second-married couples; same-sex couples; or those who reside in in a cooperative unit, rather than a single-family residence (e.g. residents of Leisure World).

Thomas L. McKenzie, Attorney at Law, gives his personal guarantee to all his clients, that each and every Living Trust, Durable Power of Attorney and other estate planning document, is PERSONALLY drafted by him in accordance with your unique circumstances.

Finally, as a courtesy to anyone who has downloaded our complimentary Asset Planning Guide, Mr. McKenzie will offer a **free review** of your present documentation, to make sure that it properly addresses the tremendously important issues discussed in this guide.

Elder Law
Medi-Cal Planning
and
Special Needs Planning

WHAT IS ELDER LAW?

Attorneys who work in the field of elder law bring more to their practice than an expertise in the appropriate area of law. They also have knowledge of the senior population and their unique needs as well as the myths related to competence and aging. They are aware of the physical and mental difficulties that often accompany the aging process. Because of their broad knowledge base they are able to more thoroughly address the legal needs of their clients.

For example, when planning an estate, an elder law attorney would take into consideration the health of the person or couple, the potential for nursing home care and the wishes and concerns of the person or couple if that event were to occur. If need arises, the elder law attorney will associate other legal experts.

Elder law covers all aspects of planning, counseling, education, and advocating for clients. Elder law attorneys are a resource to their clients because they understand their clients' needs may extend beyond basic legal services and stay informed about and connected to the local networks of professionals who serve the elder population.

Elder law attorneys deal with legal issues involving

- Health and personal care planning, which include the following topics: powers of attorney and living wills; lifetime planning; family issues;
- Fiduciary (financial) representation; financial planning; housing opportunities and financing; income, estate, and gift tax matters;
- Planning for a well spouse when the other spouse requires long term care; Asset protection; public benefits such as Medicaid and insurance; Veterans' benefits;
- Capacity; guardianship and guardianship avoidance;
- Resident rights in long term care facilities; nursing home claims;
- Employment and retirement matters; age or disability discrimination and grandparents' rights.
- Will and trust planning; planning for minor or adult special needs children; probate;
- Elder law encompasses all aspects of planning for aging, illness, and incapacity. The specialization requires a practitioner to be particularly sensitive to the legal issues impacting elder clients.

WHAT IS MEDI-CAL PLANNING FOR LONG-TERM CARE?

Medi-Cal is the only governmental program which will cover the costs of long-term care in a skilled facility. Medi-Cal planning, is the process of establishing a plan to qualify someone for Medi-Cal benefits for long-term care, WITHOUT that person spending down their assets to poverty levels, and potentially losing their principal residence.

There are four very important areas to consider in developing a comprehensive Medi-Cal plan:

1. **Pre-Planning for Medi-Cal Eligibility and Protection Against Medi-Cal Estate Recovery** – This important step involves developing an estate plan prior to requiring long-term care, which contains comprehensive Medi-Cal Asset Protection provisions. This assures that even if you can no longer sign legal documents, ALL lawful steps can be taken to protect you, your loved ones, and your assets, if you should require long-term care.

2. **Eligibility Planning** – This step involves structuring your assets such that you are eligible to qualify for Medi-Cal benefits for long-term care;

3. **Income Planning** – This step is taken to reduce or eliminate a Medi-Cal beneficiary's monthly share of cost co-payment; and

4. **Medi-Cal Recovery Planning** – This step involves reducing, or completely eliminating Medi-Cal recovery against the Medi-Cal beneficiary's estate (i.e. preventing the government from collecting against your primary residence or other assets for the amount of benefits paid to you for long-term care expenses).

Our office will carefully review your assets, income and estate planning documents to develop a comprehensive Medi-Cal plan tailored to your specific situation. We typically offer our clients several alternative strategies and thoroughly review each strategy with our clients so that they can make an informed decision.

Important Note on Crisis Planning

Incapacity could happen to any of us, at any time, so it is not always possible to plan in advance for the need for long-term care. A long-term care "crisis" is when an individual must enter a nursing home immediately, or in the very near future, and has been advised by the nursing home, social worker, or other so-called "professional" that they have too many assets to qualify for Medi-Cal benefits. If you are facing such a situation, please understand that information provided by friends, family members, social workers, nursing home representatives, or even other professionals, is often outdated or incorrect. Taking the wrong steps could lead to an extended period of ineligibility for benefits, while taking proper steps could save you thousands, or even hundreds of thousands of dollars in long-term care costs. Mr. McKenzie is a past Chairman of the Board of Directors of the Orange County Elder Bar, and his expert guidance could be invaluable to you, and your family, in the event you should require long-term care.

What is Medi-Cal?

Medi-Cal is the state of California's version of the federal Medicaid program that provides additional health insurance for qualified individuals who are 65 years of age, blind or disabled. Medi-Cal is particularly helpful for individuals who are residing in a skilled nursing home that have exhausted their Medicare skilled nursing home coverage. While Medicare may cover the first 20 days of skilled nursing home expenses, coverage for days 21 through 100 requires a co-payment,

and is only available if the patient continues to show improvement in his or her condition. On the other hand, Medi-Cal will continue to pay for skilled nursing home expenses indefinitely, regardless of whether or not the patient continues to show improvement.

Unfortunately, many people are misinformed about the eligibility criteria Medi-Cal uses to determine eligibility. Such misinformation is likely due to the ever changing and complicated Medi-Cal regulations. Despite what you might have heard, you do not have to be destitute to qualify for Medi-Cal benefits. With the guidance of a knowledgeable elder law attorney, it is legal to implement various planning techniques to qualify for Medi-Cal benefits.

Our law firm is experienced in developing and implementing various Medi-Cal planning techniques to quickly qualify an individual for Medi-Cal benefits and to minimize or completely eliminate any state recovery for benefits received. Medi-Cal planning is our passion and we take great pride in developing sound planning options for our clients tailored to their unique circumstances.

Standard Eligibility Limits for Long-Term Care Medi-Cal Benefits

The applicant must be 65 years of age, blind or disabled to receive Medi-Cal Long Term Care benefits. A single Medi-Cal applicant for long-term care benefits must fall below the asset limit of $130,000 (in 2023), $195,000 if they are married or have a registered domestic partner, and $65,000 is added for additional family members in the household.

Medi-Cal classifies certain assets as exempt and their values are not used in the determining an applicant's eligibility. The following are the major assets considered exempt by Medi-Cal in determining eligibility:

* Principal Residence
* Certain Life Insurance
* One Vehicle
* Household Goods
* Most Qualified Retirement Accounts (if structured properly)
* Burial Plots

It is important to understand that the above are standard Medi-Cal eligibility limits. For married applicants, it is possible to significantly increase the limit by using certain legal strategies.

Again, a Medi-Cal eligibility plan should only be carried out under the guidance of a knowledgeable California elder law attorney familiar with Medi-Cal regulations.

Share of Cost

Although an applicant's income is not an eligibility factor, Medi-Cal does review an applicant's income to determine the applicant's monthly co-payment (share of cost). The formula used to determine an applicant's share of cost has many variables and often allows the applicant's spouse to retain a large portion of the applicant's income.

Medi-Cal Estate Recovery

Medi-Cal keeps track of the total amount of benefits it pays out over the lifetime of a Medi-Cal beneficiary and attempts to recover that amount from the beneficiary's remaining estate. Medi-Cal may only recover from the assets that the Medi-Cal beneficiary has an ownership interest in at the time of their passing, and only after the Medi-Cal beneficiary's spouse also passes away. Thus, the Medi-Cal beneficiary's spouse will have unrestricted use of the assets for the remainder of their life. In addition, of one establishes a comprehensive estate plan with our office prior to the Medi-Cal beneficiary's

death, we can take steps to protect the family home, and make sure that the State of California cannot recover against it for the value of benefits paid to the Medi-Cal recipient.

Medi-Cal Planning Services Provided By Our Firm

We understand that Medi-Cal planning can be an emotional undertaking for you and your family. Our office will make the Medi-Cal process as easy as possible by providing the following services:

* Preparation and explanation of alternative Medi-Cal planning strategies available for your specific situation;
* Implementation of the Medi-Cal qualification strategy of your choice;
* Preparation of the Medi-Cal application forms;
* Our office will deal directly with Medi-Cal on your behalf through completion of the application process;
* Preparation of estate planning documents (if applicable);
* Assist you with your overall estate plan; and
* Preparation of all documents necessary to reduce or eliminate Medi-Cal recovery (if applicable).

A Word of Caution

Medi-Cal regulations are constantly updated and changed. Medi-Cal planning should only be done under the supervision of an elder law attorney familiar with Medi-Cal. Certain transfers of property can have significant tax ramifications that should be discussed with your attorney. Furthermore, improper transfers can disqualify a Medi-Cal beneficiary and result in a significant period of ineligibility for Medi-Cal benefits.

WHAT IS SPECIAL NEEDS PLANNING?

Planning for the future of an individual with special needs requires in-depth knowledge of the federal laws as they pertain to government benefit eligibility and legal documents, such as special needs trusts, as well as guardianships.

What is a Special Needs Trust?

A Special Needs Trust is special type of trust that can hold assets for and distribute payments a disabled child or adult, while at the same time preventing him or her from being disqualified from receiving Supplemental Security Income ('SSI') or Medi-Cal. Although the disabled child or adult is named as the beneficiary of the trust, the assets are not counted as his or her 'available resources' because the assets are not within his or her 'control'. That is why a disabled person can have millions of dollars in a Special Needs Trust, and still qualify for means-tested SSI and Medi-Cal.

Why does a disabled person need a Special Needs Trust?

Most disabled children or adults need a Special Needs Trust because they will need to be eligible for SSI and Medi-Cal. SSI is a federal needs-based program that is based on income. Once a special needs person qualifies for SSI, they automatically qualify for Medi-Cal (the California version of Medicaid). Qualification for Medi-Cal is critical, because income from SSI will usually not meet an individual's minimum needs. However, Medi-Cal could pay for hundreds of thousands of dollars in a special needs child's medical expenses before and after the parents' deaths that could otherwise drain significant assets from the child's family.

Why is it a good idea to set up a Special Needs Trust now?

If parents establish a Stand-Alone Special Needs Trust during their lifetimes, the trust will not need to have pay-back provisions in it, so long as the Special Needs person doesn't already own the assets. In a stand-alone Special Needs

Trust, the parents can designate who will take all the remaining assets left in the Special Needs Trust after the Special Needs Person dies. Conversely, remaining assets in some special needs trusts are subject to pay-back provisions. A pay-back provision is required if the trust was established pursuant to a court order, or if the Special Needs person or his or her spouse or conservator is establishing the trust with assets the special needs person already owns. Under pay-back provisions, the remaining assets will be applied to pay back the government for all Medi-Cal benefits supplied to the Special Needs person during his or her lifetime. A Special Needs Trust may be established by the court for your child if you do not set one up during your lifetime, but it would have to have pay-back provisions. By setting up a stand-alone Special Needs Trust now, you can avoid not only potential problems with gifts and inheritances to your child, but you can also ensure that he or she will not have to have a future trust that has pay-back provisions.

After I die, can't I and other family members just leave my child an inheritance, or give him a monetary gift without a Special Needs Trust in place?

A gift or inheritance that leaves a disabled child or adult with non-exempt assets in excess of the allowable amount is a gift to the federal government, as it will disqualify your child from benefits until the assets are "spent down." If your child receives or inherits more than $2,000 in countable assets, he or she will be disqualified from receiving SSI benefits. He or she may also not qualify for private health insurance, and could be left paying for his or her medical expenses. With the high cost of medical treatment, in many cases, disqualification from Medi-Cal causes the child's inheritance to be exhausted within two to three years. After that, for the rest of his or her life, your child will be completely dependent on family members and poverty level SSI governmental assistance. This situation will in turn, drain the assets of the other children in the family and other family members. It is very important for parents to understand that potential disqualification from Medi-Cal is the single most important reason why it is critical parents set up a Special Needs Trust for their child now.

Some attorneys tell me they can prepare a testamentary special needs trust for me. What is the difference between a testamentary special needs trust and a stand-alone Special Needs Trust?

A Special Needs Trust which is part of your own revocable living trust is called a testamentary trust. This means that it does not take effect, until you pass away. While it is not a bad idea to set up such a testamentary Special Needs Trust, especially if you already have a special needs child or beneficiary, there can be certain drawbacks. For example, as part of the parents' estate, a testamentary Special Needs Trust could be subject to the parents' creditors and lawsuit claims. In addition, grandparents or other persons who die before the parents cannot leave inheritances to it. Only the parents, or persons who die after the parents can fund a testamentary trust. If the grandparents die before the parents and leave an inheritance to a special needs child without a stand-alone special needs trust, the inheritance, if over the allowable amount, is a gift to the federal government, as the child will be disqualified from benefits until the inheritance is spent down. You can avoid all of these problems, and protect your child in many other ways by establishing a stand-alone Special Needs Trust for your disabled child.

Tax Planning in the Context of Developing your Estate Plan

Typically, the tax issues which are addressed in the estate planning context consist of estate taxes, capital gains taxes and property taxes. Here is a general overview of how these issues may be addressed in your estate plan.

Estate Taxes

Generally, there is a fixed amount which each individual may transfer upon their death (or during their lifetime) which will not be subject to the estate tax. In the year, 2023, the estate tax exemption is $12.92 million (however, depending upon future legislation, this number could be decreased). Estate taxes are different from and in addition to probate expenses, which can be avoided with a revocable living trust, and final income taxes, which must be paid on income you receive in the year you die. Federal estate taxes are expensive (in 2023, up to 40%) and they must be paid in cash, usually within nine months after you die. Because few estates have the cash, it has often been necessary to liquidate assets to pay these taxes. But, if you plan ahead, you can reduce and even eliminate estate taxes. There are various methods to reduce or eliminate the amount of estate tax in your estate, such as:

1. If you are married, you can use both of your exemptions, by utilizing a Living Trust with estate tax planning provisions. Generally, all of our marital trusts include provisions which would enable you to utilize both spouses' exemptions, for a total of $25,84 million of exemptions from estate taxation. This will help save a substantial amount for your loved ones, rather than the Federal government.

2. If you are married, you may use "portability" strategies to lessen or eliminate estate taxes. The "portability" rules allow the transfer of a deceased spouse's unused estate tax exemption to a surviving spouse. The surviving spouse may use portability with respect to both gift taxes and estate taxes. This strategy must be elected on a timely filed estate tax return, even if a return is not otherwise required to be filed. This strategy will also enable a couple to exclude up to double the estate tax exemption amount from taxation ($10.86 million). All of our marital trusts currently contain the provisions necessary to elect portability, if this strategy is warranted.

3. You may remove assets from your estate. A simple, no-cost way to save estate taxes is by reducing the size of your estate by making tax-free annual gifts to children or other beneficiaries. For example, in 2023 you could make a gift of $17,000 per year to each done ($34,000 if you are married), without incurring a gift tax.

4. **You may make unlimited gifts to charities and for medical/educational expenses paid to a provider**.

5. **You may purchase life insurance on yourself, and transfer the policy to an Irrevocable Life Insurance Trust**. This removes the death benefits from your estate.

6. **You may establish a Limited Liability Company for a business and/or business property**. Once the LLC has been established, you may then begin transferring interests of the LLC to your children or other beneficiaries in increments (ideally, such interests would fall within the gift tax exclusion amount).

Capital Gains Taxes

Capital gains tax is a tax on capital gains, meaning the profit realized on the sale of an asset that was purchased at a cost amount that was lower than the amount realized on the sale. For example, if you purchase a vacation property for

$100,000, and you sell it for $200,000, you have realized a $100,000 gain on the sale. Short-term capital gains are taxed at the taxpayer's ordinary income tax rate. The tax rate for individuals on long-term capital gains (assets held for over one year), are between 0% and 20%, depending upon the tax bracket of the individual. Some ways to defer or lower the capital gains tax rates are as follows:

1. Primary residence exclusion. Individuals can exclude up to $250,000 of capital gains from the sale of their primary residence (or $500,000 for a married couple). To claim this exclusion, you must have resided in your home for at least 2 out of the last 5 years.

2. Specifically designate your residence and other appreciated properties as "community property." In community property states, if a married couple specifically designates their property as community property, they will receive a "double step-up" in tax basis upon the first death. For example, if a married couple purchased a home in 1979 for $50,000, and then established their estate plan through our firm many years later, we would incorporate special provisions in the plan to specifically designate the property as "community property." Then, let's say the first spouse passes away in 2016, and the home is valued at $800,000. The surviving spouse will receive a step-up in basis for the property to the date of death value (in this case, $800,000). This means that if the surviving spouse were to then sell the home, he or she would pay no capital gains taxes at all. In appropriate cases, our Living Trust plans incorporate this special documentation to implement this strategy, so that our clients will benefit from this little-known tax advantage.

3. 1031 exchange. If you sell rental or investment property, you can avoid capital gains and depreciation recapture taxes by rolling the proceeds of your sale into a similar type of investment within 180 days. This like-kind exchange is called a 1031 exchange, after the relevant section of the tax code. In order to defer all of the gain, the net market value and equity of the property sold must be equal to or greater than the replacement property.

4. Traditional IRA and 401k. If you are in the higher tax brackets during your working career, you can benefit from contributing to a traditional IRA or 401(k). This both reduces your income while you are in the higher brackets and eliminates any capital gains as a result of trading in the account. Then, during the years between retirement age and 70, withdrawals from these accounts could be made in the lower tax brackets.

5. Roth IRA and 401k. Traditional accounts can postpone taxes to a more favorable year, but Roth accounts can avoid them altogether. Having paid tax on deposits, a Roth account allows tax-free growth for the remainder of not only your life but also the lifetime of your heirs.

6. Gift to charity. Instead of giving cash to the charities you support, you can give appreciated stock. You receive the same tax deduction. When the charity sells the stock, it is not subject to any capital gains tax. The cash you would have given is the same amount you would have had for selling the stock and paying no capital gains yourself.

7. Wait until you die. Most people die holding highly appreciated investments. When you pass away, your heirs get a step up in cost basis, and therefore pay no capital gains tax on a lifetime of growth. **It is important to note** that generally, if you transfer your property to another person while you are alive (e.g. a son or daughter), they will receive your tax basis in the property. This means that if they later sell the property, they will likely pay much more in capital gains taxes than if they had inherited, and then sold the property. There are ways to effectuate a present transfer of real property while retaining the step-up in basis upon death, but the strategies are somewhat complicated, and often require the use of an irrevocable trust or some other written arrangement.

California Property Taxes

Because of the high value of California real estate, property taxes in California can be quite expensive, even though Proposition 13 was passed to limit the growth of these taxes. On a positive note, Proposition 13 has allowed the rate of taxation on property owned for many years, to be much lower than its present assessed value. As a result, understanding California property taxes, and the related exemptions, is important for anyone buying, selling, or transferring real property.

For present owners of real property, there are a number of current exemptions:

1. **Decline in market value relief**. The assessed value of a property should never be higher than the property's value on the open market. Occasionally, market forces and other factors will cause a property's value to decline significantly enough to create that situation. In these cases, the Assessor my lower the assessed value of the property if it is higher than the market value as of January 1.

2. **Disable veterans' exemption**. Disabled veterans may be eligible for up to a $166,944 property tax exemption. Qualifying veterans must have been disabled due to a service-related injury or disease while in the armed forces.

3. **Homeowners' exemption**. If you own a home and occupy it as your principal residence on January 1, you may apply for an exemption of $7,000 from the home's assessed value, which reduces your property tax bill.

4. **Property tax assistance for senior citizens, blind or disabled persons**. Blind, disabled or elderly homeowners having a household income of $39,699 or less may qualify for a cash reimbursement to pay property taxes.

When transferring real property, there are a number of exemptions from reassessment, meaning that after the transfer, the property is not reassessed. Some of them are as follows:

1. **Parent and child reassessment exclusion**. The transfer of real property between parents and children may be excluded from reappraisal for property tax purposes. You must file a claim to determine eligibility. (However, please see "Important Note" below)

2. **Grandparent to grandchild reassessment exclusion**. The transfer of real property between grandparents and grandchildren may be excluded from reappraisal for property tax purposes, if the parents of the grandchild are deceased. Again, you must file a claim to determine eligibility. (However, please see "Important Note" below)

3. **Reappraisal exclusion for seniors**. Disabled property owners or persons over age 55 can sell their home and buy a replacement residence of equal or lesser value and transfer the tax value of the home sold to the new home, one time only. Some counties honor inter-county exclusions, also.

Another important issue with respect to property taxes and estate planning involves a scenario where a home is left to children in the estate (or Living Trust), with the expectation or desire that one of the children could take the home as his or her own. The problem here is that if the child is a one-third beneficiary of the estate, and he takes steps to purchase the shares of his or her siblings, the home may be reassessed to the extent of the value of the shares obtained from the siblings. There are ways to structure your estate which could help in accomplishing a transfer which would not trigger such a reassessment, but these issues should be discussed with your attorney, when establishing your plan.

Important Note: Although under prior law, it was possible to exclude from reassessment parent to child transfers of real estate in many circumstances, unfortunately, Proposition 19 was passed in 2021, which limits this strategy. Under Proposition 19, for example, to exclude a parent's home from reassessment upon death, the home must be the parent's principal residence, and it must be left upon death to a child who then must utilize that home as his or her principal residence.

Financial Advisory Services

The third area of concern is developing financial strategies that makes sense for you and your family. The purpose of proper planning is to help individuals and families achieve their life goals through proper management of their finances. This process allows them to see where they stand financially and determine what steps they must take to reach their objectives. This plan may address one or more of the following: your cash flow management, your investment management, certain tax reduction strategies, your insurance assessment, your retirement planning, your beneficiary provisions, and if you have a business, your business succession planning. And, of course, any plan which is developed for you should be consistent with your goals and your overall tolerance for risk.

Depending upon your unique circumstances, the process may involve some or all of the following:

1. **Establishing and defining the client-planner relationship** - The advisor explains the services to be provided and defines his or her responsibilities along with the responsibilities of the client. The advisor explains how he or she will be paid and by whom. The advisor and client should agree on how long the relationship will last and on how decisions will be made.

2. **Gathering client data and determining goals and expectations** – The advisor asks about the client's financial situation, personal and financial goals and attitude about risk. The advisor gathers all necessary documents at this stage before giving advice.

3. **Analyzing and evaluating the client's financial status** - The advisor analyzes client information to assess his or her current situation and determine what must be done to achieve the client's goals. Depending on the services requested, this assessment could include analyzing the client's assets, liabilities and cash flow, current insurance coverage, investments or tax strategies.

4. **Developing and presenting the financial planning recommendations and/or alternatives** - The advisor offers recommendations that address the client's goals, based on the information the client provided. The advisor reviews the recommendations with the client to allow the client to make informed decisions. The advisor listens to client concerns and revises recommendations as appropriate.

5. **Implementing the financial planning recommendations** - The advisor and client agree on how recommendations will be carried out. The advisor may carry out the recommendations for the client or serve as a "coach, " coordinating the process with the client and other professionals such as attorneys or stockbrokers. Of course, in Mr. McKenzie's case, because he is also a licensed estate planning and elder law attorney, as well as a Series 7 licensed representative, the additional costs of retaining the services of an attorney or stockbroker can be substantially reduced, or even eliminated, for clients of our firm.

6. **Monitoring the financial planning recommendations** - The client and financial advisor agree upon who will monitor the client's progress toward goals. If the advisor is involved, he or she should report to the client periodically to review the situation and adjust recommendations as needed.

Please see the section below on our "Platinum Club," which goes into much more detail about the nature of our financial advisory services.

Asset Protection

WHAT IS "ASSET PROTECTION?"

Asset protection consists of legal techniques based upon statutory and case law dealing with the protection of one's assets from any number of threats, including but not limited to, unnecessary court procedures (including probates and conservatorships), loss of assets due to the high costs of medical and/or long-term care, divorcing spouses, and sometimes, even creditors. Such protections come in many forms, for example:

REVOCABLE TRUST-BASED ESTATE PLANS

Generally, most individuals and couples who desire a protective estate plan, opt for a "revocable" trust-based plan. In a revocable trust, you keep ownership and control of your assets, and the trust may be amended or revoked by you at any time. Typically, a revocable trust-based estate consists of the revocable trust, a certification of trust, pourover wills, durable powers of attorney, advance health care directives, and HIPAA Release Authorization Forms. Although this type of plan will not protect your assets against creditors, it will serve to protect you, and your assets, in many other ways.

For example, any assets titled to your trust will avoid a probate upon your passing, which will save your family much time and expense. In addition, a comprehensively drafted plan will eliminate the necessity of obtaining a court-ordered conservatorship, if you can no longer manage your assets. This assures that if you become incompetent, a person of your choosing, and not someone appointed by a court, will assist you. This enables you to control your ultimate destiny, without court interference.

Also, a comprehensively drafted plan can lay the foundation necessary to protect your assets should you require expensive long-term care in the future, by incorporating special "Medi-Cal Asset Protection Provisions" into your estate planning documents. Although most estate plans developed by other firms do not address this issue, using these provisions, we routinely protect assets, including the family home, when one of our clients requires long-term care. Please note that although our office can generally assist anyone in protecting their assets against the high costs of long-term care, it is always better to develop a plan in advance of the need for care, as your options will likely be greater.

Finally, our plans, unlike those drafted by most firms, provide many protections for your beneficiaries, also. For example, there are provisions to protect the assets of disabled beneficiaries (even if they become disabled after your trust is drafted); there are provisions to protect your beneficiaries against divorcing spouses, and even creditors; and there are provisions to protect your beneficiaries against themselves (e.g. drug use, irresponsibility, etc.).

Other than creditor protection, our revocable living trust-based plans provide comprehensive protections for you, and your family, against any number of threats and potential losses.

IRREVOCABLE ASSET PROTECTION TRUSTS

One type of trust that will protect your assets from your creditors is called an **irrevocable trust**. Once the trust creator establishes an irrevocable trust, he or she no longer legally owns the assets he or she used to fund it, and can no longer control how those assets are distributed. This means that the person or persons establishing the trust may not be the trustees or the beneficiaries of the trust. By creating an irrevocable trust, the trust maker surrenders the ability to later modify the trust instrument.

Due to this change in ownership, a future creditor cannot satisfy a judgment against the assets held in irrevocable trust. It's critically important to understand that the extent of protection turns largely on state law issues.

Importantly, a court can undo an individual's transfer to a trust if it finds that the transfer was made with the intention of defrauding creditors. These transfers are considered fraudulent, and in many cases carry significant legal penalties. This is why it is important to practice asset protection planning well before you even anticipate being the subject of any liability. Moreover, it is imperative that you work closely with experienced and credible legal counsel before engaging in any measure of asset protection.

IRREVOCABLE MEDI-CAL ASSET PROTECTION TRUSTS

Medi-Cal Asset Protection Trusts are utilized to protect assets owned by a couple or single individual, from the high costs of long-term care. Used properly, these trusts can help protect your principal residence, along with other assets like cash, securities, etc.

Key benefits of gifting in your assets into the Irrevocable Medi-Cal Asset Protection Trust are:

- Asset protection from future creditors of beneficiaries
- Preservation of the Section 121 exclusion of capital gain upon sale of the settlors' principal residence (the settlor is the trustmaker)
- Preservation of step-up of basis upon death of the settlors
- Ability to select whether the settlors or the beneficiaries of the trust will be taxable as to trust income
- Ability to design who will receive the net distributable income generated in the trust
- Ability to make assets in the trust noncountable in regard to the beneficiaries' eligibility for means-based governmental benefits, such as Medicaid and Supplemental Security Income (SSI)
- Ability to specify certain terms and incentives for beneficiaries' use of trust assets
- Ability to decide (through the settlors' other estate planning documents) which beneficiaries will receive what share, if any, of remaining trust assets after the settlors die
- Ability to determine who will receive any trust assets after the deaths of the initial beneficiaries
- *Possible* avoidance of need to file a federal gift tax return due to asset transfer to the trust

IRREVOCABLE BENEFICIARY INHERITANCE TRUSTS

"Beneficiary Inheritance Trusts" are trusts which can be incorporated into your revocable or irrevocable trust-based estate plan. These trusts, which spring into place upon your passing, are available to your beneficiaries for asset protection purposes. Simply put, instead of taking their inheritance outright, as is most often the case, your beneficiaries would have the option to leave their share of your estate in your irrevocable trust. Doing so, could help protect their inheritance from divorcing spouses, or even creditors. This helps assure that your legacy benefits those who you choose as your beneficiaries, and is not wasted on greedy spouses or other non-beneficiary litigants.

REVOCABLE AND IRREVOCABLE SPECIAL NEEDS TRUSTS

A Special Needs Trust is a trust that is established for an individual with special needs who is or may become dependent on public benefits. The trust is specifically identified to meet certain supplemental needs and to enhance the quality of life for the beneficiary, the special needs person. Most importantly, the SNT is created so as to not disqualify the beneficiary for the public benefits being received. The trust, then, is a pool of money available for the benefit of the beneficiary in order to provide him or her with goods or services that public benefits do not provide. For example, SNT funds may be used for in-home care services that would otherwise not be affordable to the beneficiary. Should a person with special needs receive these funds outright and outside a properly created SNT, the individual may become ineligible for the public benefits and reinstatement of the benefits can be a difficult process.

A Special Needs Planning attorney is an essential advocate when preparing SNTs for individuals with special needs. The attorney will be able to identify the type of SNT that would be helpful in the particular situation and will know how to properly construct it so as to prevent the person with special needs from being kicked off his or her benefits. There are many roadblocks that can arise in the planning process and it is imperative that you have an attorney familiar with the many federal and state laws and regulations concerning public benefits and SNTs.

If you have a client with special needs who would benefit from the establishment of an SNT, please contact us. We are committed to and passionate about assisting those with special needs and look forward to helping in any way we can.

LIMITED LIABILITY COMPANIES

A limited liability company (LLC) is a business structure that combines the pass-through taxation of a partnership or sole proprietorship with the limited liability of a corporation. LLC owners report business profits or losses on their personal income tax returns; the LLC itself is not a separate taxable entity. Like owners of a corporation, however, all LLC owners are protected from personal liability for business debts and claims -- a feature known as "limited liability." This means that if the business owes money or faces a lawsuit, only the assets of the business itself are at risk. Creditors usually can't reach the personal assets of the LLC owners, such as a house or car. (Both LLC owners and corporate shareholders can lose this protection by acting illegally, unethically, or irresponsibly.) It is imperative to establish this entity BEFORE you are involved in a lawsuit or other action against you regarding the underlying asset or property. In addition, if you have more than one entity to protect (e.g. two or three rental properties), it is best to establish an LLC for each of them, as separating them from each other provides much greater asset and liability protection.

UMBRELLA INSURANCE POLICIES

Finally, one of the least expensive methods of providing asset protection is known as an umbrella policy. Although this is a service we do not provide, we believe it is useful for you to understand the benefits. An “umbrella policy” is extra liability insurance which is designed to help protect you from major claims and lawsuits, by providing additional liability coverage above the limits of your homeowners, auto and boat insurance policies. For example, you may purchase from your property and casualty agent, one or two million dollars in additional protection on all underlying policies, at a very reasonable cost. In our very litigious society, it is certainly something you may want to consider.

What is our Platinum Club?

Our "Platinum Club" is a member-only club which provides substantial and ongoing benefits to clients of our firm.

Who are members of the Platinum Club?

Generally, those who avail themselves of the significant benefits that our "Comprehensive Planning Technique" provides, are automatically members of our "Platinum Club." In other words, "members," are those individuals and families who develop their living trust-based estate plan through our office, and who also receive coordinated financial advisory services by maintaining a minimum investment in an Investment Advisory Account with our firm.

What does it cost?

There are no additional ongoing membership fees or other charges required.

Is being a member of the Platinum Club a requirement for all clients of the firm?

Absolutely, not. Membership is strictly voluntary. All services provided by the firm may be purchased separately. For example, if you merely wish to establish a Living Trust, power of attorney, Will or other legal document or service, you may retain the firm to provide only those services you wish. Conversely, if you only wish to retain Mr. McKenzie as your financial advisor, that's okay, too!

What are the benefits?

Members of the Platinum Club will enjoy many benefits they will not likely receive anywhere else. For example, Platinum Club members will receive discounted (or even free) legal services throughout their membership. Children, relatives and friends of members may also receive discounted legal services. Members will receive ongoing financial and legal advice on a regular basis (at minimum, annually or semi-annually). Platinum Club members will have regular access to Thomas L. McKenzie, Attorney at Law, if they have important questions regarding their financial or estate plans. And, all benefits of membership are included in the low annual investment advisory fee, which is similar to the fee you would pay a bank or brokerage firm for investment advisory services alone.

In other words, if you wish to establish a fee-only investment advisory account in order to receive professional investment advice and services, you can either pay a financial advisor, bank and brokerage firm between 1% to 3% annually for ongoing investment advice, or you can pay roughly the same amount (or less) in fees to our firm, and you will receive all of the additional benefits of being a Platinum Club member, without additional charges.

Finally, there is the convenience of receiving your estate planning and financial services at one location. This will cut down on the time you need to spend on your planning needs, and provide for more efficient management of your overall plan.

Summary of Benefits and Comparisons

If you already have a financial advisor, or if you believe that expert financial advice would benefit you, then it is crucially important to consider the nature of advice you would be receiving. Receiving financial advice from an independent, full-service financial advisor, who is also a licensed estate planning and elder law attorney, provides many unique benefits to the consumer. And remember, although Mr. McKenzie possesses legal skills and knowledge not found in the vast majority of financial advisors, all financial and legal advice given by Mr. McKenzie at our periodic reviews is included in the firm's standard advisory fee, and there is no additional cost for the much more comprehensive nature of these services and reviews. The chart below compares and contrasts the benefits and issues described in this newsletter:

	Non-Attorney Financial Advisors	Thomas L. McKenzie, JD, RFC
Does your financial advisor **work for you** as an "independent" advisor, or does he/she work for a bank or brokerage firm?	**Sometimes**	**Yes** (Independent Advisor)
Is your financial advisor a "**full-service**" advisor, or is he/she limited to only certain products sold by their employer (e.g. the insurance company, bank or brokerage firm for which they work)?	**Sometimes**	**Yes** (Full-service Advisor)
Is your financial advisor a practicing **Estate Planning Attorney**, and thus able to include as part of your advisory fee, free, ongoing legal advice regarding your living trust, powers of attorney, etc.?	**No**	**Yes**
Is your financial advisor an **Elder Law Attorney**, and thus able to include as part of your advisory fee, free, ongoing legal advice regarding strategies to protect you and your family as you age?	**No**	**Yes**
Does your financial advisor provide periodic financial reviews?	**Sometimes**	**Yes**
Can your financial advisor provide all of the advice you need to to **protect** your family home and other assets, in the event that you or your spouse should require expensive long-term care costs?	**No** (not licensed to practice law)	**Yes**
Can your financial advisor assist you with complex legal strategies to protect your children or other beneficiaries?	**No** (not licensed to practice law)	**Yes**
Is your financial advisor able to provide expert legal **and** financial advice to your children or successors in the event of your illness, disability or death?	**No** (not licensed to practice law)	**Yes**
Does your financial advisor provide legal advice at your periodic reviews, given at no charge, as part of the investment advisory fee?	**No** (not licensed to practice law)	**Yes**

The Platinum Club benefits described above are available only to clients of the firm who have executed an investment advisory agreement with Thomas L. McKenzie as their financial advisor. Unless otherwise agreed upon in advance, some services above require a minimum level of assets-under-management..

Conclusion

So, if you desire professional financial advice, you have two choices. You can retain the services of a typical financial advisor, who can provide the usual range of financial advice and services – or, you can become a member of our Platinum Club, where for roughly the same fee you would be paying another financial advisor, you will receive professional financial advice, as well as many additional and substantial benefits that other planners cannot provide. Our Platinum Club members have a financial advisor, but they also have an Estate Planning and Elder Law attorney who remains available, as part of their plan, to make sure they receive appropriate advice on keeping their plan up-to-date, and assisting them in the event that any problems should arise, be they serious or otherwise. Essentially, Platinum Club membership affords middle and upper-middle class individuals and families comprehensive financial and legal advice which, until now, has primarily been available only to the very rich. We truly hope you will consider being a member of the McKenzie Legal & Financial Platinum Club program!

How To Get Started

By now you've seen that our firm is something special and unique among planning firms in Southern California, and we're confident that you deserve the kind of protection, guidance and support that only we can provide. Your success is worth preserving for your family. McKenzie Legal & Financial is your single-source financial advisory and legal services firm that is ready with a full range of estate planning, asset preservation and financial advisory services to help you with every part of the process.

The first step is to schedule your appointment. Call our office at **562-594-4200**, and ask to speak to Natalie, our Client Services Director. Natalie will schedule the most convenient appointment time available for you. And, unlike many firms where you meet with some "junior" member of the firm, your appointment will be with Mr. McKenzie, personally.

During these complimentary reviews, Mr. McKenzie will:

- Review your family's situation to ensure that the terms of your estate plan, if any, still reflect your needs and wishes
- Review your overall financial plan for balance, quality and coordination
- Discuss beneficiary designations of your IRAs and retirement plans, to be sure you are taking advantage of any law changes
- Analyze the impact of any new law changes to see if your estate planning documents need to be updated
- Answer your questions regarding specific legal or financial strategies that may be available to improve your position, and carry out your objectives

Please bring to your appointment, any questionnaire you have received from our office; any existing estate planning documents; and copies of all statements from investment and bank accounts. Generally, the appointment will take between 1 to 1 ½ hours.

Since we opened our doors more than 25 years ago, our philosophy has always been to help families preserve their wealth and achieve their long-term financial goals. To this end, we offer free estate and financial plan reviews.

Thomas L. McKenzie, JD, RFC
Attorney at Law -- Investment Advisor Representative
2631 Copa De Oro Drive. Los Alamitos, CA 90720
Phone: 562-594-4200 ♦ Fax: 562-394-9512

Corporate Relationships

Brokerage and Registered Investment Advisory services provided by, and securities offered through:

Independent Financial Group, LLC (IFG)
12671 High Bluff Drive, Suite 200, San Diego, CA 92130
Member, FINRA,SIPC

Clearing services provided by:

Pershing LLC
One Pershing Plaza, Jersey City, New Jersey 07399