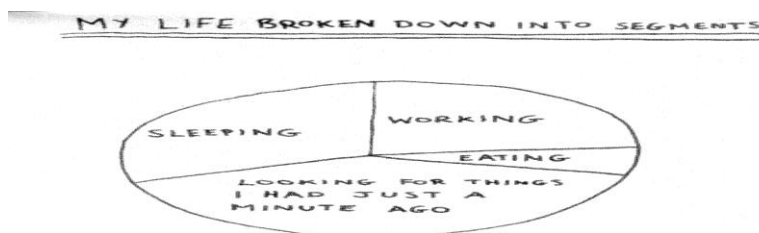




Just in case it matters to you:

CLIENT / CONTACT BULLETIN 10-29

- A BUSINESS ‘SUCCESSION’ PLAN INVOLVES HAVING THE RIGHT STRUCTURE, PEOPLE AND PROGRAMS in place to meet owners’ true ‘exit’ objectives – including intentions regarding heirs or career employees, and the amount of money sufficient to maintain post-retirement lifestyle – which, for most business owners, is an emotional process more so than arithmetic. Accordingly, *procrastination* is most often based on fear of conflict, or of concern about financial reserves. When a business is family-owned, conflict from “pitting one child against another, or against a highly-valued yet unrelated employee” is a realistic concern. However, *avoiding* that issue very seldom, if ever, allows the situation to resolve itself; instead, the likelihood is that “chaos occurs in the absence of a clear line of authority or succession plan in place, and the exact conflict the owner has avoided happens anyway.” Regarding fear of insufficient finances, the answer is conservative, reality-based forecasting of current net worth and future spending expectations first, then establishing prudent protection and tax-minimization plans. DCG has decades of experience in this critical area; let us help. [TRANSITIONS MAGAZINE – July 10]
- A MODEST TAX ON “ANONYMOUS WEALTH” SITTING IN GLOBAL BANKS COULD BE THE SALVATION FOR OUR OTHERWISE UNMANAGEABLE DEFICIT. Up to \$20 trillion in private wealth of “arms dealers, dictators, drug barons and tax evaders sits offshore in bank or brokerage accounts and hedge fund portfolios... held by a global industry of ‘pirate banking’...(made possible by the best lawyers, accountants and lobbyists money can buy) ...in companies that fall firmly under the jurisdiction of First World governmental agencies.” Most is held by some fifty banks (like JPMorgan Chase, UBS Credit Suisse, Citigroup, Morgan Stanley, Bank of America, Goldman Sachs, etc) and the busiest ten manage 40%. Also this wealth is concentrated – nearly half is owned by a mere 91,000 people (.001% of the worlds’ population) with 95% owned by the planets’ wealthiest ten million people (still only 1.1%). [FORBES – July 19, 10]
- WHY ARE UPDATE OF MINUTES AND OTHER CORPORATE RECORDS IMPORTANT? Several critical reasons include: compliance with legal statutes, contracts, lease & loan documents; support for tax deductions and liability responsibilities; support for litigation protection (‘piercing the corporate veil’ actions); and clarifying issues of ownership and control in event of management or owner dispute. It’s tempting to avoid the (relatively nominal) hassle and cost of annual updates, but is not prudent since after-the-fact correction can be very costly. [CITRON & DEUTSCH NWSLTR – June 10]
- CALIFORNIA ALREADY HAS ESSENTIALLY THE SAME ‘ILLEGALS’ LAW AS ARIZONA ON THE BOOKS. *Penal Code sec 834(b)* says: (a) Every law enforcement agency in California shall fully cooperate with the U. S. Immigration and Naturalization Service regarding any person who is arrested if he or she is suspected of being present in violation of federal immigration laws, and (b) shall: (1) Attempt to verify the legal status of such person... including, but not limited to, questioning...and demanding documentation to indicate legal status... and (3) Notify the Attorney General of California and the I.N.S. of the apparent illegal Status. THE LAW ALSO PROHIBITS: (c) Any legislative, administrative, or other action by a city, county... or law enforcement agency, to prevent or limit the cooperation required.



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- LOS ANGELES IS THE “WORST CITY IN THE U.S. FOR COMMUTING BY CAR, because of frequent traffic jams, incidents of road rage, and other irritations,” according to the IBM Commuter Pain Index. At least the LA rating of 25 was way less than Mexico City or Beijing, where pain ratings of 99 (out of 100) are “worst in the world.” [THE WEEK – July 16, 10]
- THOUGHTS FOR THE WEEK: **“Trying to function without defined goals is like trying to pilot a plane without a destination. You will still end up somewhere, but the destination will not be of your choosing – and the landing will probably be bumpy... Defining our goals puts us in control of our lives, and enables us to feel in control.”** – Tony Rose