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**April 2019  
Edition**

# The Government Is Trying To Get Their Hands Into Your Pocket, Again!

By  
Philip Kavesh, Attorney

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For some time now, most Californians have enjoyed freedom from estate, gift and inheritance taxes. Back in 1982, Californian voters approved Proposition 6, which amended the state constitution to prohibit such gift and "death" taxes. Recently, the federal government increased the exemption (the amount that can pass gift and estate tax free) to over \$11 million for a single person and over \$22 million for a married couple. So most people no longer had any worries about estate taxes.

## Living Trust Seminar

**For the public and also for our existing clients who want to bring family or friends!**

**Tuesday,  
April 9th  
Main Office**

9:30 - 11:30 am  
(Check in at 9:15 AM)  
990 W. 190th Street Suite 500  
Light Refreshments

**REGISTER**

**Saturday,  
April 13th  
Double Tree Hotel**

9:00 - 11:30 am  
(Check in at 8:45 AM)  
21333 Hawthorne Blvd  
Full Breakfast

**REGISTER**

**Thursday,  
April 25th  
Marriott Hotel**

9:30 - 11:30 am  
(Check in at 9:15 AM)  
3635 Fashion Way  
Light Refreshments

## But Maybe That Was Too Good To Be True

Proposed State Senate Bill 378 now threatens to bring back California gift and estate taxes! Introduced on February 20, 2019 and recently amended on March 25<sup>th</sup>, this Bill would impose a 40% tax rate against estates, to the extent they exceed \$3.5 million. Although you may not think your estate is greater than \$3.5 million, when you add up the values of all your assets, including your home, cash accounts, investments, retirement accounts and IRAs, and life insurance - - and factor in inflation between today and when you pass - - you and your loved ones may, indeed, face this tax, which could force them to liquidate assets! (Note: The State Bill exemption of \$3.5 million will not be adjusted for future inflation!)

## Don't Over-React But Do React

This new estate tax bill is still lodged in a State Senate Committee. After released from Committee, it still needs to pass through both the State Senate and Assembly.

In addition, in order for the new law to become effective, it must be approved by voters in a statewide election (Nov. 2020). Furthermore, the new law won't be effective until a later date specified, tentatively January 1, 2021. So you probably don't need to change anything in your estate plan immediately (although you should come in for a checkup if

**REGISTER** 

## **KMO Client Review Seminar**

**For our existing clients who want to know why it is important to review their trust every 3 years!**

**Tuesday,  
April 16th  
Main Office**  
9:30 - 11:30 am  
(Check in at 9:15 AM)  
990 W. 190th Street  
Suite 500  
Light Refreshments

**REGISTER** 

## **Medi-Cal Asset Protection Seminar**

**For the public and also for our existing clients who want to bring family or friends!**

**Tuesday,  
April 11th**  
Torrance Main Office  
9:30 - 11:00 am  
990 W. 190th Street  
Suite 500

**REGISTER** 

## **Office Locations**

**For your convenience, we have multiple office locations throughout Southern California.**

### **Main Office:**

**Torrance Office**  
990 W. 190th St.  
Suite 500  
Torrance, CA 90502

### **Other Local Offices:**

**Pasadena Office**  
790 E. Colorado Blvd.  
9th Floor  
Pasadena, CA 91101

**Woodland Hills Office**  
5850 Canoga Ave.  
4th Floor  
Woodland Hills, CA 91367

**Orange Office**  
333 City Drive West  
17th Floor  
Orange, CA 92868

**Newport Beach Office**  
5000 Birch St.  
Suite 8000  
Newport Beach, CA 92660

## **Contact Us**

we haven't reviewed your plan within the past 3 years).

What you can (and maybe should) do right away is contact your State Senator and Assemblyman and let them know you are opposed to Senate Bill 378!

## **Stay Tuned**

Of course, we will do our best to keep you apprised of any important future developments regarding state (or federal) estate taxes. Check this space!

# **Pardon My Blooper!**

**Written By: Attorney Phil Kavesh**

Our firm recently welcomed aboard a new, young attorney, and it got me thinking back - - what was it like when I first started out as a lawyer, some 41 years ago? (Wow, time does fly!)

You know how, sometimes, our most vivid memories are about things that went inexplicably wrong? That's where my mind immediately wanders when recalling my early days as an attorney.

I remember getting out of law school, eager to go, armed with lots of technical information and full of idealistic visions. But I had no clue as to how the legal system worked in "the real world" nor what would be in store for me in dealing with bosses, judges, and clients!

## **How Could I Ever Forget My First Court Appearance?**

At the first law firm I worked for (and the next two as well), they just stacked a lot of files and loose papers on my desk and said, "Get to work!" I had no real training and little supervision or quality review (like we do for our new associates). In other words, my marching order was simply, "Good Luck!"

One of my very first assignments was to write a "brief" arguing why the lawsuit against our firm's client should be dismissed. I spent lots of hours in the library, studiously researching all applicable cases and statutory law I could find (and that wasn't so easy back in the days before there were computers)! I thought I had assembled a novel argument and proudly handed off the brief to one of the firm's partners, who was the lead counsel in charge of the case. I didn't hear anything back - - until the morning of the hearing on this motion for dismissal. I was summarily informed I was going to court (like it or not!) to fill in for the partner and appear before the judge. Thankfully, I had very little time to get nervous because I had to immediately jump in my car and drive off or, goodness forbid, I would be late!

Now, there's a bit of a back story I have to share before I tell you what happened when I got to court. Little did I know

**You may contact us to make an appointment for your initial consultation, to schedule a review of your current estate plan, or to make a referral.**



**1-800-756-5596  
[www.kaveshlaw.com](http://www.kaveshlaw.com)  
[info@kaveshlaw.com](mailto:info@kaveshlaw.com)**

## **OUR WEBSITE**



**Learn more about important estate planning issues by visiting our website.**

**[kaveshlaw.com](http://kaveshlaw.com)**

**Also, visit our blog to keep up on the latest developments in estate planning.**

**[blog.kaveshlaw.com](http://blog.kaveshlaw.com)**

what all the firm's attorneys thought about this matter, which involved one of the firm's largest clients. They thought the matter was a certain loser, which is why none of them wanted to appear in court and be the "fall guy!" On top of that, the judge of this particular local courthouse, located in a small town nearby, didn't like to deal with "outsiders" and was renowned for being a "hanging judge" who would loudly--and in the most colorful of terms-- viciously berate lawyers and their clients in open court, and throw the book at them! And to make matters worse, this particular judge had a bad taste in his mouth for that partner I was appearing on behalf of (apparently, the partner was swamped with so many cases that he had repeatedly asked for continuances, by telephone, without even so much as showing up before the judge). So, little did I know I was about to walk into a "perfect storm."

When I entered the courthouse (which was one big open room), proceedings were already in session and I was nervous my case may already have been called. But my nerves suddenly changed to outright fright as I heard the judge scream expletives at the criminal defendant in the case before him, then pound down his gavel and shout out "10 years!" The good news was, I again didn't have much time to think, because my matter was called next!

So, rather meekly, I walked up to the podium and announced myself, who I represented as a client and the name of my firm, as was the court custom. As soon as I mentioned the firm name (including, of course, the scorned partner's name), the judge lost it! He demanded to know "where's that so and so?" (not quite what he said, but that's all I can state here in writing)! Before I could respond, he ordered me "to my chambers, right now, BOY!"

As we walked into his personal lair, the judge slammed the door behind us. I sat knock-kneed in a low chair in front of the desk while he half-stood behind it and leaned over, and called the firm's partner just about every name imaginable (the attorneys waiting in the courtroom later told me they had never heard so many expletives machine-gunned out in such a short time!). Then he went on and attacked the partner for not having the guts to appear himself. Finally, he asked me angrily, "What have you got to say, boy?" I was so in shock that I couldn't think of anything other than, "Nothing, your honor." It was a lucky thing I was so tongue-tied because if I had offered any excuse for the partner, he would probably have ripped into me too or jailed me for contempt of court! "You're smart and polite. I like that," he said, as he proceeded to walk us both back out into the open courtroom.

Then before I got settled again at the podium and said a word of further argument, the judge declared to all in attendance, "Motion granted!" I could hardly believe it!

I remember feeling so horrible (and literally still shaking) as I returned to the office. Even though I was greeted as a conquering hero because I had won the case, I vowed I would never go to a court appearance for that firm again! In fact, it was shortly after that I decided litigation wasn't for me and to instead become an estate planner!

## **The Execution**

So I wound up going back to law school for an extra year to get my Master's Degree (LL.M.) in taxation and to learn to be an estate planner. However, in school they never teach you how to handle clients and client meetings. I had to learn that the hard way, by trial and error (And, wow, did I have a few screw ups before I figured it out).

The next law firm I joined (after my Master's Degree) put me to work right away on the estate plan for one of the firm's biggest and oldest clients, a stern 93 year old widow. I was warned that, while discussing her plan with her, I should never mention the word "death" as she was morbidly fearful of it, so I was very careful to use terms like, "when you're gone," "after you've passed," and "when you're not around." I met with her several times before diligently preparing all the necessary, detailed paperwork. Then, the day came for her document signing.

As I arrived in the meeting room, several firm partners and associates were solemnly seated at a large conference table in imperious, high-backed leather chairs, while the elderly and frail lady client sat all the way at the far end of the table, expressionless. The room was filled with tension, as they all dreaded dealing with the forbidden "D" word. I walked in with a huge stack of documents under my left arm, and looking to break the ice, I blurted out, "Mrs. Green, are you ready for the execution?", as I simultaneously banged down the documents onto the table! All the attorneys' jaws dropped and all eyes immediately turned to her, fearing her reaction. A few seconds went by (which, to me, felt like an eternity) and finally her stern expression morphed into a loud laugh, a side of her none of us had ever seen! I survived even though, afterward, I was known in that firm as "the executioner!"

## **If That Wasn't Bad Enough, Then I Met Nick**

After less than a year I moved to another law firm (before forming my own). I was confident by then that I had mastered the estate planner "client routine" pretty well. That is, until I met with Nick. Again, I was dealing with one of the firm's biggest clients who was notoriously demanding and tough, and again, I was barely prepared for what would occur.

I knew Nick had a large business empire and ran it with his daughter, to whom he intended to pass it down. I understood that's why I was meeting with him. What I didn't know was that he had recently remarried, so when he introduced himself and a much younger lady in the lobby, I assumed she was his daughter--to which he angrily responded, "NO, this is my wife!" (Oops, I was in big time trouble already, before I even walked them into my office!)

When we went into my office things got even colder. Nick did all the talking, dictating the way his estate plan was going to work. Very little was to be set aside for his wife, and with lots

of conditions attached. Every time I tried to engage his wife's participation, he cut me off. I had already insulted him in the lobby and, knowing he was a major firm client, I decided to just remain quiet and subservient. I managed to get through the meeting and summed up the plan that I would document. I asked Nick, "Is this what you want?" to which he retorted, "Yes!" Then I turned and asked his wife, "Is that what you want?" but received no answer. There was heavy silence as she stared at me without a response for almost 30 seconds. Finally, she shouted with disdain, "What I really want is a divorce!" and jumped out of her chair and ran screaming down the hallway (past the senior partner's office) and out through the crowded lobby!

I thought, for sure, I had lost my job, but it turned out that later the same day, Nick called and thanked the senior partner because what he really wanted was a divorce too! I did get to keep my job, but thereafter I was forever "Nick"-named by the firm's attorneys "The Homewrecker!"

### **So Be Nice (and Forgiving) to Jillian!**

I could write about a lot more "horror stories" from my early days as an estate planning attorney, but how is that relevant to you (other than perhaps, as entertainment)? Here's how...

We'd like to introduce you to our firm's newest attorney:

#### **Jillian Malone**



She's a terrific person and we assure you, you'll really enjoy meeting and working with her! That's because in order to avoid my early career experiences, we developed and had Jillian attend a rigorous, in-house, new attorney training program, not only on the technical aspects of estate planning, but also on how to successfully hold client meetings (including observing other attorneys' meetings and using detailed meeting checklists and client interview forms - all the stuff I wasn't trained on or equipped with). Plus, all Jillian's estate plans are reviewed by our senior paralegal who has been with us for over 25 years, as well as another attorney of our firm, so you'll know the job will get done right!

And hopefully, Jillian will steer clear of the kind of bloopers I made!

## **Need a Speaker for Your**

# Organization?



If you belong to a group, club or other organization which holds regular meetings and is looking for entertaining speakers on short but important and interesting topics, please give us a call and ask for Alexandria Gilner.

Maybe we can help you out!

## Recipes of the Month

### Cream Cheese Danish



**Prep Time: 10m - Cook Time: 30m - Ready In: 40m**  
**Servings: 10 - Calories: 498**

#### Ingredients

- 2 (10 ounce) cans refrigerated crescent roll dough
- 2 (8 ounce) packages of cream cheese, diced
- 3/4 cup white sugar
- 1 1/2 teaspoons lemon juice
- 1 teaspoon vanilla extract
- 2 teaspoons sour cream
- 1 cup confectioners' sugar
- 1 tablespoon milk
- 1 tablespoon butter, softened

## Directions

1. Preheat oven to 350 degrees F (175 degrees C).  
Lightly grease a 9x13 inch baking pan.
2. Line bottom of baking pan with 1 can crescent rolls.  
Pinch all seams together to seal.
3. In a large bowl, mix together cream cheese, white sugar, lemon juice, vanilla extract and sour cream.  
Spread filling on top of rolls. Place second can of rolls on top of filling.
4. Bake in preheated oven for 20 to 30 minutes.
5. In a small bowl, stir together confectioners' sugar, milk and butter. After Danish has cooled, drizzle with icing.

### *Baker's Tip*

Aluminum foil can be used to keep food moist, cook it evenly, and make clean-up easier.

Recipe from [allrecipes.com](http://allrecipes.com)

## Thank You



Here is a very special thanks to all of our clients who have referred family and friends. It's easy, just forward this newsletter to them! (We also appreciate Yelp reviews!)

### Quote of the Month

"A journey of a thousand miles  
begins with a single step."

-Lao Tzu

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Law Firm of Kavesh, Minor & Otis, 990 W. 190th Street, Suite 500, Torrance, CA 90502

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