



February 2009

CHUBB REPORT

WHAT'S GOIN' ON

BY WAYNE CHUBB

As I write this, I am sitting in a hotel in central Oregon after landing in Portland in a "surprise" snow-storm. Want some good news in the midst of a ton of bad? In Sacramento, we can drive to the snow when we want it – we don't have it forced on us.

Want more good news? The **Spam Festival** returns to Isleton on Feb 15th to provide the ultimate Valentine's Day mystery meat surprise for your sweetie! In fact, the whole month offers wonderful culinary delights like this, among other things.

In fact, you can start the month in Old Town Auburn for **A Taste of Chocolate**, a self explanatory event on Feb 8th. The same weekend brings hundreds of hot rods, custom and classic cars, and custom motorcycles to the **Sacramento Autorama** at Cal Expo, the **Lodi Home and Garden Show**, and **Museum Day** (Feb 7th) which brings free admission to the Sacto Zoo and 20 local museums.

Speaking of local museums, **Space: A Journey to Our Future** opens on the 9th at the Aerospace Museum of California at the former McClellan AFB, with hands-on simulators and displays. The following weekend brings **Valentine's Day**, along with the aforementioned Spam Festival. It also brings day 1 of the **Amgen Tour of California**, which starts on the 14th in Sacramento and brings **Lance Armstrong** and many of the world's best cyclists to the Capitol. One of the best toy shows in town, the **Sacramento Sports, Boat and RV Show** comes to Cal Expo, and probably will have a few bikes available if you are so inspired.

Looking for a little lower impact activity? The Lodi area wineries are hosting the **Wine and Chocolate Weekend** (including prize winning gold tickets!), and the Amador County wineries open their doors for **Behind the Cellar Door**, with music, food, winery tours and barrel tastings. Wine, chocolate, boats,

Spam – you have no excuse for staying home this Valentine's.

The following weekend leads us into Mardi Gras (yes, Ash Wednesday is the 25th), and the 21st brings the **Old Sacramento Pub and Grub Crawl** to all the eateries and, um, drinkeries in Old Sac, among other regional festivities. Wrap up the month on the weekend of the 28th at one of the premier wine events in northern California, the **SF Chronicle Wine Competition** at Ft. Mason. Closer to home, the **Camellia Show** (remember when Sacramento was the Camellia City?) kicks off the landscaping season at the Convention Center on the 28th, and **Snowfest** kicks off 10 days of polar bear swims, snow sculptures, music, parades and races at various Lake Tahoe resorts.

Have a great shortest month of the year, stimulate the economy a little, and get ready for a great kickoff to spring in March!

Wealth, Health, & Happiness Monthly Calls

Everyone is welcome on these calls! Calls begin at 12:00 pm PST; mark your calendar. Register and Get Info at www.FamilyWealthMatters.com/calls

February 24, 2009 12:00 pm PST Charles Orlando "The Problem With Women...is Men!"

Charles Orlando's past experience as a "morally challenged" young man-combined with over 1,600 interviews with men and women-has brought The Problem with Women... is Men: The Evolution of a Man's Man to a Man of Higher Consciousness to life, taking readers on a humorous, blunt, tell-all romp through the world of men and their issues. Through his efforts, Charles hopes to assist women in regaining their sanity, and empower men in evolving beyond their primal instincts. He is an active member of American Mensa for the San Francisco Bay Area, and his writing has been published in a variety of publications, both online and offline. This is certainly a call not to be missed!

CONTRARY ADVICE: DON'T PAY OFF YOUR DEBT BY ALEXIS MARTIN NEELY



I've got to tell you, I'm a little bit sick and tired of the traditional personal finance advice out there that is telling you to pay off your debt and pay down your mortgage. Insisting that you'll experience financial freedom when you've got 6 months savings in the bank, no one you owe money to and you're on your way to a relaxing retirement. That's all well and good, but it's also not entirely true, in two regards:

1. You don't have to wait until you've got 6 months savings and no debt to experience financial freedom. You can experience financial freedom right now.
2. Paying off your mortgage and all your debt could actually be harmful to your financial well-being, especially right now.

Now, that second statement is a big one, especially because it flies in the face of the traditionalists who say financial freedom is only possible with no debt.

But, consider this: Imagine that you had \$5,000 of credit card debt, owed \$25,000 on a line of credit and had \$50,000 in available remaining credit on your line and \$20,000 available credit on your credit cards. Now imagine that you were diligently doing what the traditionalists said and paying down your debt, a little bit at a time. You were staying current on your payments and even paying a bit more than the minimums each month.

Then wham, your hours were cut at work and out of nowhere your credit card companies decreased your credit card limits and your lender yanked the remaining balance on your line of credit.

Now what do you do? You've got no access to credit and the chances of you qualifying for credit now, given the tightened credit restrictions and the decrease in your income, are? None.

What should you have done instead? I'm about to give you a radical plan. A plan that is not for the faint-hearted. And, a plan that is all about understanding your best investment. It's a plan that requires a lot of belief in yourself and what I'll call spiritual balls.

Here's the plan: Don't pay off your debt. Not now anyway. If you've got a line of credit on your house, write a check to yourself for the balance NOW. Your bank just may take it back tomorrow.

Now, I'm not saying to go out and blow that money on more stuff you don't need, vacations, or other consumables. I am saying to put it in your bank account and figure out how you can invest it so it'll make more money than it's costing you.

It's the same with available credit on your credit cards. I've got several low interest credit cards, about 4.9%. I know that I can use that credit and earn way more than that. Not if I buy a big screen TV or go to Cabo, but if I make a great investment. *(If you have poor credit and your interest rates are high, this is likely not a good strategy for you because the return on your investment needs to beat the interest rate on your debt for this to make sense).*

So, what's your best investment? What's the best way you can make a 10, 15 or even 25% return on your investment dollars this year?

Invest in yourself! Take that money and start a business. Start a business that will leverage your time and your resources in the best way possible. It takes money to make money. (By the way, you do not need to quit your current job to do this! I started business #2 while I was still working full time in business #1. Yes, it was stressful and took a lot of work, but it was SO worth it!) So, use that money to find the best possible mentor you can and put aside some of the money to implement what you are learning.

The key is to find someone who has already done what you want to do and is going to show you the way step by step!

Make the commitment to yourself. You deserve it. Two years ago, I paid Dave Dee \$30,000 plus 5% of my business to coach me on how to build an information marketing business so I could work from home and leverage the knowledge I already had. Within three months of working with him, I had made \$115,000. Today that business is a million dollar business. I call that a good investment. I'll invest over 6 figures in coaching in 2009 even though I've already had a huge amount of success. But, you know what? I keep learning. The most successful people do. Some of that investment has been made with my own line of credit. I know I'll generate at least a million dollars from the investments I make. If you believe in yourself, there is no better investment than you. Don't wait for the bank to take its money back. Invest in yourself and watch that investment pay off for the rest of your life.

Written by Alexis Martin Neely, author, speaker, Personal Family Lawyer, Family Financial & Legal Expert for Better TV and MOM. Alexis makes it super easy for your family to talk about and plan for sticky subjects like money, death and taxes.

IS THIS SOMEONE YOU KNOW? BY HEATHER R CHUBB



I received two calls last week that really got me thinking. Not only did it get me thinking, but it made me adjust the way I approach planning because the traditional way of planning just doesn't meet all your needs.

The first call was from a man summoned to Sacramento from the east coast to try to deal with his mother. Now that may not seem unusual, but his circumstances are both common and uncommon at the same time. First, he has not had much contact with his mother in the last 30 years, but because he was the next of kin here he was flying to Sacramento. Unfortunately, the situation is common because mom does not have any planning in place—no one to legally step in and make decisions on her behalf when she can't.

So, now mom is in the hospital and about to be kicked out. She fell in her apartment and is now unable to live independently. Her son thought she had remarried years ago, but as it turns out she never had. She was living with a man and involved with his family, but when she fell those people had no legal authority *or responsibility* to help her, and pawned her off on her son. In fact the "stepdaughter" is now being very unhelpful—not releasing mom's driver's license, giving son a social security number that does not belong to mom and in general creating havoc.

The son called me seeking advice on how to help mom. He was being told by the doctors that he needed a power of attorney to take mom out of the hospital. **But here's the catch**—mom may or may not have the mental capacity to execute a power of attorney! If she doesn't have capacity, the only alternative is to go to court and establish a temporary conservatorship on an emergency basis, then take mom back east and transfer the conservatorship to the court there. What a mess! What a lot of stress added to this poor man's life and to mom's. It all could have been avoided easily with a little planning. And, the planning doesn't need to be expensive. It is best done with the guidance of a trained professional whose practice focuses on life transition issues. A good professional will educate you about the issues, thoroughly explain them, help you create tools tailored for you and your situation, and take the time to show you how to use your plan.

The second situation arose only days after the first. This time mom was in the hospital with congestive heart failure, while she is mentally competent she is weak and the doctors have said her heart could fail at any time. Dad on the other hand is in the beginning stages of Alzheimer's disease. It is clear that

mom cannot care for him and he should not be driving—although he is trying to get his driver's license renewed. While mom will be a more capable driver than dad once she is released from the hospital, with her condition all I could think was "Yikes!"

From a planning perspective, this situation is actually more positive than the first situation. Mom and dad still have capacity. They have a daughter willing to help out. Now is the time to get some planning in place.

This planning needs to focus on what I call "taking care of instructions" for mom and dad while they are alive, rather than just instructions for after their death. At a minimum they need powers of attorney, advance healthcare directives and HIPAA authorizations. They should be carefully drafted with the guidance of a professional, not just form documents. Why go to the extra time and expense when form documents might do? It does no good to have documents lying around without the knowledge of how to use them. This would be like trying to program your new VCR/DVD without the instruction manual (or a teenager). Custom designing the documents takes your unique perspective and circumstances into account.

I realize that estate planning is not high on many people's list of things to do, as evidenced by research that shows 75% of Americans do not even have a simple Will in place, let alone planning tools to take care of them while they are still alive. I think there is a very prevalent misperception that planning is all about death and taxes. Well, that is the old way of thinking. In my practice I am using a new term, "life transitions planning" because it is really much more descriptive of what I accomplish for my clients and what planning should be about. You see, life transitions planning is more than death planning, more than just about taxes. It is about keeping you in control—whether directly or through your hand selected helpers—and providing take care of instructions during your life and providing guidance and direction about how to take care of things upon your death. Most of us don't have to worry about estate taxes—the limit now is \$3.5 million! BUT we do need to think about a whole host of other issues. Ones that are important while we are still alive. Like the ones that got me thinking earlier this week.

Written by Heather R. Chubb, Personal Family Lawyer, speaker, and MOM. Heather makes it easy for your family to talk about and plan for tough subjects like money, death and taxes, and other life transitions. Visit her online at www.chubblawfirm.com.



Lately I have been trying something new. I have been trying to say “yes” to my kids more often. I realized that I have a tendency to say “no” a lot without really thinking, even to the littlest things. That was creating unnecessary negative energy at my house. Now that I’ve started really listening and saying yes more I feel better about my relationship with my kids. Yeah, it’s still crazy at my house most of the time, but we are doing more fun things, and who really cares about the big dust bunnies under the couch—I won’t look if you don’t. Try saying yes more in your life. Right now I think we can all use more positive energy.

All my best,

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