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WHEN AN ADULT NEEDS A GUARDIAN OF PROPERTY

A guardianship is a legal arrangement in which a court appoints one person, the guardian, to look after another person, the ward. There are two types of guardianships: a guardianship of the person and a guardianship of the property (also known as a guardianship of the estate or a conservatorship). A guardian of the person is responsible for the ward's physical safety and well being. A guardian of the property is responsible for the ward's money and assets. A person may need one or both types of guardians. Usually, one person serves as both guardian of the person and guardian of the property, although a different person can be appointed for each role.

The court may appoint a guardian for an adult in two situations:

1) The proposed ward is mentally competent and requests the court to appoint a property guardian, usually a family member or close friend, to manage his or her finances. This arrangement is known as a voluntary guardianship. Typically, because of advanced age or physical infirmity, the proposed ward would like help with banking, bill paying, investment monitoring, and so forth. The ward retains the legal right to make all decisions regarding his or her person or property.

2) The proposed ward is not competent and needs a guardian of the person to make sure he is properly cared for or a guardian of the property to manage his or her finances or both. This arrangement is known as an involuntary guardianship. The person seeking the guardianship will need to present evidence to the court to establish the proposed ward's incapacity and the proposed guardian's suitability for the role. State law provides minimum requirements that a person must meet to be appointed as a guardian. These may vary somewhat from state to state. Typically, a prospective guardian must:

- Be a legally competent adult.
- Not have been convicted of a felony.
- Not have been convicted of domestic violence, abuse, abandonment, or neglect of a person.
- Not have filed for bankruptcy within a specified period.
- Not have been convicted of embezzlement, fraud, or other crimes of dishonesty.
- Have signed and filed an oath of guardian promising to faithfully perform the guardianship duties.
- Post a fiduciary bond, if required by the court.

- Have the mental capacity and ability to serve as guardian of the person or property on behalf of the ward.

When an adult has the capacity to conduct his or her legal affairs but wants another person to assume that respon- sibility, the adult may request the appointment of a property guardian. This procedure, a voluntary guardianship, usually occurs because the ward has difficulty with the practical aspects of money management due to advanced age or physical limitations.

Case Study: Fran and her neighbor Mary. Mary, at age 94, is mentally competent but is no longer able to walk and can sit upright only for short periods. Due to poor eyesight and severe arthritis in her hands, Mary is unable to review monthly bills and banking statements, sign checks to pay her bills, and manage her financial affairs. Mary asked her next-door neighbor, Fran, to serve as the "guardian of her property" and manage her finances. Mary had adequate monthly income and trusted Fran, a long-time friend and fellow church member, to oversee her finances. Fran was happy to assist Mary and agreed to be appointed as guardian of Mary's property. Mary's attorney prepared a petition for Fran's voluntary appointment. Mary retained decision-making authority regarding her person and property but was pleased that Fran would handle the financial management. Fran met all the legal requirements to serve as a guardian and was appointed as guardian of Mary's property.

A voluntary guardian of the property is a fiduciary obligated to undertake all actions in the ward's best interest. The guardian will generally be required to do the following:

- File an initial inventory of the ward's property (real property, personal property, financial and investment accounts, and any other property) listed at fair market value.
- Post bond in an amount sufficient to protect the ward's estate from purposeful or grossly negligent waste, fraud or abuse, unless waived by the court.
- File a list of routine, anticipated monthly expenditures for the ward.
- Open and maintain a guardianship checking (and savings) account. The account number and statements can be furnished to the court to substantiate the guardian's proper use of estate funds. (Financial institutions will require a certified copy of Letters of Guardianship issued by the court.)
- Prepare and file annual (or periodic) accounting reports with the court showing all income received and all expenditures made during the period and showing the ending balance.
- Petition the court for an order allowing any expenditure over a certain dollar amount as set by the court.
- Maintain and invest guardianship assets in reasonable investment vehicles adhering to the Prudent Investment Rule. The Prudent Investment Rule requires the fiduciary to manage and invest the guardian's estate as if investing his or her own property considering the needs of the ward, preservation of the ward's estate, and the ward's need to generate income. High-risk investments are imprudent and are to be avoided. Loss due to imprudent investment, waste, theft or misuse, may be criminal and can becom the personal liability of the guardian.

Case Study: Fran and her neighbor Mary continued. Fran was required to attend a six-hour course presented by the probate court within 60 days after her appointment. The course was taught by a certified public accountant experienced in guardianships. During the course, Fran learned the guardianship accounting system and requirements set by the court. Fran learned she must account for every penny of expenditures made with Mary's money and learned that a detailed financial report must be filed annually. The report would also be subject to review by the court's probate auditor. Fran was then horrified to learn the court required her to post a bond in a minimal sum of $50,000.00. (The bond served to protect Mary's assets.) Fortunately, Mary's attorney filed a motion with the court and persuaded the judge to waive the requirement to post a bond. After several years serving as Mary's property guardian, Fran had reservations about ever volunteering to serve in this capacity for another ward again. Accounting for every penny of expenditure was maddening. Nonetheless, Fran was good with numbers and had no irregularities. Despite the detailed nature of accounting, Fran felt a sense of accomplishment and reward for acting truly neighborly.

If you have questions on guardianship for adults, we can provide skilled counsel and advice to help you through the process. Give our office a call at and contact us today to discuss further by calling 956-791-5422 in Laredo, 830-302-4577 in New Braunfels or 956-267-5112 in the Rio Grande Valley.

NOW THAT YOU ARE IN THE DRIVER'S SEAT

By Catalina Dickerson, Editor of Dickerson Digest

By Catalina Dickerson, Editor

If you have taken that first step and decided to take charge and resolve to move forward with estate planning, you already know that a will is something everyone should have, Now that you have made the decision to get in the "driver's seat", so to speak, and make a plan to protect your assets, this is where all your practice pays off. And what do I mean by "practice"? Well, like the best of them, I tend to think I am a good driver. I even flirt with the notion that I may have been a good cop driver, speeding and weaving through avenues to catch up some criminal evading arrest. Ok, well enough of my imagination. What I am trying to convey is the we are always practicing our driving skills every time we get in the driver's seat and why do we keep "practicing" after we already have a license, you may ask? Because being a good driver, someone in control of the wheel, someone who knows where all important honks, bells and whistles of the car are to alert other bad drivers, someone who can see the road clearly and anticipate oncoming danger; that someone makes time for the skill building practice to protect themselves and the passengers they carry from any number of unexpected life events and threats. That someone has made a decision to protect the people the most care about when they strap on their seatbelt and start on the road It is just an automatic thought process, to keep safe on a daily basis.

So since you practice keeping your circle of loved ones safe everyday, with not only safe driving, but a myriad of other things, large and small, why wouldn't you consider keeping the estate plan, will or trust you made with the intention of protecting them, safe as well with periodic checks and updates. Checking and updating your estate plan every 5 years is just about as important as deciding to create an estate plan in the first place. Especially if you have any life changes like changes involving you or your spouse, changes involving your children, grandchildren or other beneficiaries, changes in your economic situation and changes to a person named in your estate. These are just a few reasons to update you will and very general ones at that. Speaking to a board-certified estate planning attorney will be a first step to realizing which new life change or event may merit and update for you.

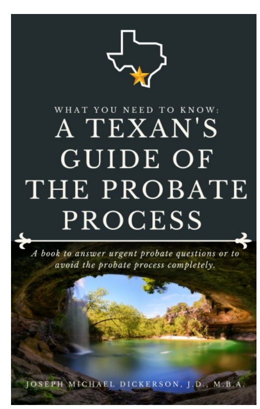
No will can be designed to last forever, no matter what happens. By way of example, we have heard of a cases in which the decedent (person who died) did have a will

but it was 20+ years old.

In one instance, the decedent left two children. He didn't choose either of them as executor at the time he executed his will because they were minors and the executor he did choose at the time died. Presumably, had he prepared a new will before he died he would have chosen either or both children as executor. He left his estate equally to both of them so that would have been logical. But he never updated his will nor named a new executor. In another instance, the decedent chose his two daughters as executor and alternate but both predeceased him. He had not chosen an alternate and never updated his will to choose a replacement even though his only son-in-law said his father-in-law had talked about naming him. Not having a recorded update to name the son-in-law as the executor.

Both wills were validly executed wills that needed to be probated in order to carry out the decedent's wishes, however, no living executor could apply to be appointed to carry out those wishes, making the probate process more complicated than needed to be.

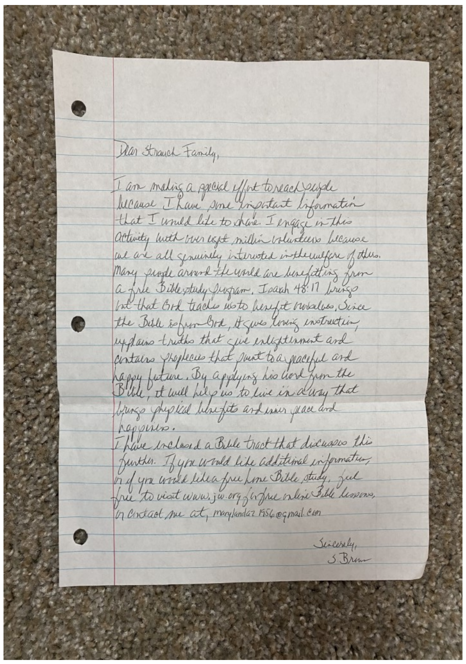
No matter how many years it has been since created your will or estate plan, it's never too late to revisit with a board-certified estate planning attorney to make the necessary updates to make the process of carrying our your wishes a smooth on. If you have any questions, I would like to send you a copy of Mike's book, The Texan's Guide of the Probate Process. . We are here to help.



THE HANDWRITTEN DIRECT MAIL SALES LETTER

Written by Richard James, Founder and President of Your Practice Mastered

Editor's Note: Richard's focus in this article is marketing for entrepreneurial attorneys, however, anyone in business can benefit from his sage advice and marketing wisdom. We greatly appreciate Richard's contribution and hope you find his article to be useful and actionable.



Dear Strauch Family,

I am making a special effort to reach people because I have some important information that I would like to share. I engage in this activity with over eight million volunteers because we are all genuinely interested in the welfare of others. Many people around the world are benefitting from a free Bible study program. Isaiah 48:17 brings out that God teaches us to benefit ourselves. Since the Bible is from God, it gives loving instruction, explains truths that give enlightenment and contains prophecies that point to a peaceful and happy future. By applying his word from the Bible, it will help us to live in a way that brings physical benefits and inner peace and happiness.

I have enclosed a Bible tract that discusses this further. If you would like additional information, or if you would like a free home Bible study, feel free to visit www.jw.org for free online Bible lessons, or contact me at, marylandaz1956@gmail.com

Sincerely,
S. Brown

Today's article is about the handwritten letter piece. Take a look at this penned note I recently received. It's a direct mail sales-piece tempting me to communicate with this individual regarding the Bible. Now, I tend to be fine with that conversation, but haven't reached out yet.

Here's what impressed me. The sender took time to handwrite what is fundamentally a sales letter. Let's walk through how you can do this inside your law practice.

The handwritten sales letter is one of the direct mail pieces I would definitely recommend testing at your law firm.

This example is a fair representation of what these sales letters should look like.

Paper: The ruled sheet could have been pulled from a pack of Mead notebook paper. The sheet is three-hole punched, ready for insert into a three-ring binder. To appear more genuine, an added touch might be a coffee stain near the edge.

Handwriting: The letter's message is written in longhand and personalized. Having your direct mail letter personalized is an option but using dynamic printing to do that may cost a bit more.

Error Correcting: One thing this person did not do is scratch anything out as if errors were made and corrected. Error corrections can make a mail piece look genuinely handwritten. That's a real tell. Correction marks in the form of scratched-out words, over-written squiggles, loops, or crosshatches add authenticity. Humans make mistakes. Purposefully making errors and using obvious correction marks is actually quite effective.

Can this be accomplished with a machine? Yes!

So-called autopen, robot pen, or real pen machines can hold a standard OTC ballpoint pen and write the letter, again and again. The output mirrors human handwriting or hand-printing. Although automated, robot pen machines resemble the letter copying device Thomas Jefferson used (a polygraph reproduction machine). Yes, mass producing the handwritten piece by machine is definitely possible.

Ingredients: The ingredients for this direct mail piece should be the same as for a typed letter. Include an appropriate headline, use sub-headings and bullets. Include a clear path to the call to action at the end. Include your actual signature, albeit printed by machine. In this example, the sender wanted me to email her, and she signed the letter at the end.

Do you have specific details, such as a case number or court where it was filed? Including dynamic information to make it personal and tailored can be very effective. The recipient knows this mailer is only about them. For example, the handwritten piece might say, "In my recent case review at the Courthouse, I noticed Case No. CR-XXXX belongs to you after a recent DUI arrest..." Of course, the letter continues telling your law practice story, right? Including dynamic information inside the handwritten letter makes it personal, and that's very important.

Length: This letter has one page, but yours could have more. If preferable, then carry the message to a second sheet or create a two-sided page.

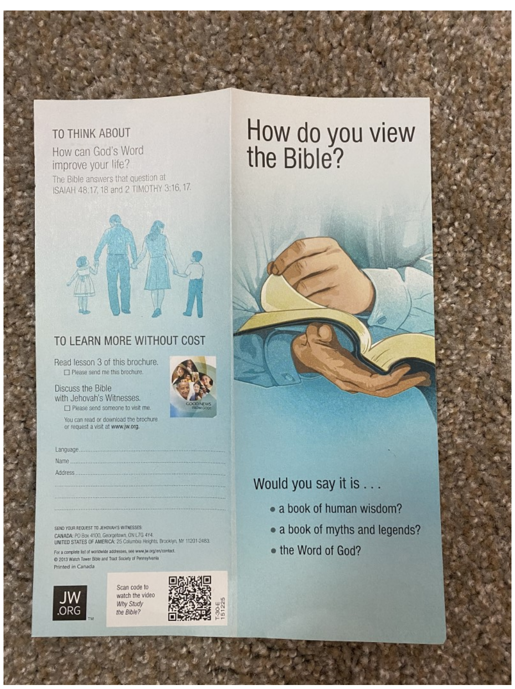
Call to Action: The call to action should ask the recipient to go to the next stage, whether that's to request free information or a consultation. There should also be some sort of deadline, if possible.

Supporting Piece: Include some supporting document. Including a supporting piece adds credibility to what the sender is doing. (Look at the front and back images of this supporting piece.)

Here's what the sender did right with the supporting piece.

The message in the brochure is clear. They use simple bullet points and talk about why this is important to us. Basic graphics make it visually appealing. And there is a Quick Response Code, or QR Code, at the bottom. (More on that later.)

Here's what's interesting. The letter is about the Bible, but the brochure is about Jehovah's Witnesses. The supporting piece was specifically created by a Jehovah's Witness. So, this is an example of the Jehovah's Witnesses mass direct-mail marketing, except they used a live person to actually handwrite this piece. (Or did they?) You can accomplish this same goal using a real pen machine.



QR Code: I might have said, "QR Codes aren't worth a hill of beans," before the pandemic because they were complicated and difficult to use. Now QR Codes are an essential COVID-19 addition to direct mail. The QR Code has become a key tool, part of our culture and society.

Smartphones make using QR Codes a breeze. Place your camera over the code and – Voila! – the link is displayed. This link could be your landing page.

Restaurants routinely use QR Codes to share menus with diners. This avoids handling printed menus while maintaining sanitation and social distancing. Include a QR Code to your landing page and people will use it. You can include a video, more information, a clearer call to action and testimonials on the landing page.

Testimonials: The only thing missing from this example is social proof, right? Having testimonials as social proof is very important. Not providing any testimonials here was a miss. I doubt you can successfully place testimonials in the handwritten piece, but I do believe they can be placed in the enclosures.

Postage: You could easily enclose two or three sheets of paper for the same cost as one sheet, at least from a postal weight perspective. (Depending upon the weight of the paper, of course.) I highly recommend maximizing your under-an-ounce ratio by including additional sheets if possible. After all, there's no such thing as too much information in supporting pieces with testimonials, order forms, pictures of resources (books and freemiums), and explanations more specific to the consultation being marketed.

The overarching lesson from this direct mail piece is that it was designed to look and feel handwritten. When done well by the right vendor, it actually does. Right down to the pen ink and stroke.

I hope you found this direct mail analysis helpful. Too many firms get into a rut using ordinary formats and minimal words. Differentiate your firm from the competition by developing a campaign using the handwritten letter.

About Richard James

Founder and President of Your Practice Mastered, Richard James, has earned a reputation as a national "Legal Systems Expert." He took a consumer law firm in Arizona from $0 to over $3.5 million in annual sales in just two years using his secret ingredient: systems. Since that time, he's personally taken 879+ attorneys, like you, through this same process and helped them build practices they love; practices that support their lifestyle and give them more time and financial prosperity so they do the work they love and help more people.

For more information, go to :

https://therichardjames.com

EASY-TO-OVERLOOK TAX DOCUMENTS

This year is a little more challenging. With tax season now officially underway, here are several tax documents that may be easy to miss in your mailbox or inbox:

Child tax credit letter

From July through December 2021, the IRS paid out 50% of projected child tax credit payments to qualified households. The IRS is sending out a recap of these advance payments in Letter 6419 that you can use to correctly account for these payments on your tax return. This letter should have arrived in your mailbox by late January. The IRS is alerting taxpayers, however, that Letter 6419 may have incorrect dollar amounts if you moved or changed bank accounts in December. The IRS is urging taxpayers to use the information in their online taxpayer accounts for the most up-to-date figures on the amount of the advance Child Tax Credit to include on their tax returns, instead of the numbers included in Letter 6419. Click here to find out more about your online account with the IRS.

Stimulus payment letter

The IRS issued millions of economic impact payments in 2021. The IRS is mailing a summary of these payments you received in Letter 6475. As with the child tax credit letter, you can use this letter to accurately report your economic impact payments on your tax return. This letter also should have arrived in your mailbox by late January.

Identification PIN

The IRS may have assigned you an Identity Protection PIN (IP PIN) to help protect your identity. An IP PIN is a six-digit number that prevents someone else from filing a tax return using your Social Security number or Individual Taxpayer Identification Number. This IP PIN is known only to you and the IRS. If you are a confirmed victim of tax-related identity theft and the IRS has resolved your tax account issues, the IRS will mail you a CP01A Notice with your new IP PIN each year.

Corrected tax forms

If an error is discovered on a tax form you've already received, a corrected version will be created, then mailed to both you and the IRS. You can also request a corrected tax form if you believe you found an error. Here are some of the forms you might see with corrections:

→ **Form W-2** from your employer that shows corrected wages, salary and taxes withheld

→ **Form 1099-INT or Form 1099-DIV** from your investment broker that shows a revision in interest and dividend income

→ **Form 1099-NEC** from a client to whom you provide services

→ **Form 1098** that shows how much mortgage or student loan interest you've paid

You may not be aware you were issued a corrected tax form until it shows up in your mailbox (or inbox). If you do receive a corrected form, don't throw the old version away! Save both the original version and corrected version in case either are needed for future reference.

Often the ease of filing your tax return is dependent on having the correct information, so remember to look for everything, including these often overlooked forms.

Thank you to Juan Pablo Gonzalez of JP & A Tax Services for his "Top Tip".

You can reach JP by calling

956-725-0044.

FEMA AMENDS COVID-19 FUNERAL ASSISTANCE POLICY

FEMA amended the agency's COVID-19 funeral assistance policy in June of 2021 to assist with COVID-19 related fatalities that occurred in the early months of the pandemic. This policy change will allow applicants to submit a statement or letter from the death certificate's certifying official, medical examiner, or coroner that attributes the death to COVID-19 fatalities that occurred between Jan. 20 and May 16, 2020. This policy change was made after consulting with the Center for Disease Control and Prevention officials and other health experts. The new policy provides applicants, as well as medical authorities, coroners and jurisdictions, flexibility to attribute a death to COVID-19 without amending the death certificate. The change also provides flexibility with documentation for the period before the CDC-published and implemented COVID-19 death certificate guidance in the spring of 2020. Since FEMA began taking COVID-19 funeral assistance applications, the agency has awarded more than $447 million in assistance to over 66,800 applicants. Applicants who incurred COVID-19-related funeral expenses between Jan. 20 and May 16, 2020, will be able to submit a death certificate that does not attribute the death to COVID-19 along with a signed statement from the certifying official listed on the death certificate, coroner, or medical examiner linking the death to COVID-19. The written statement must show causal pathway, or an explanation, linking the cause of death listed on the death certificate to the virus and should be submitted with the death certificate.

Applicants also retain the option of contacting the individual who certified the death to request a death certificate amendment if they can provide justification demonstrating the death should be attributed to COVID-19. The certifying individual's name and address should be on the death certificate. For deaths occurring after May 16, 2020, COVID-19 funeral assistance documentation must include a copy of a death certificate that attributes the death to COVID-19. Individuals who would like to apply for assistance should call the COVID-19 Funeral Assistance Helpline tollfree, at 844-684-6333 | TTY: 800-462-7585 from 9 a.m. to 9 p.m. ET, Monday - Friday. Applicants who use a relay service, such as a videophone, InnoCaption or CapTel should provide FEMA with the specific number assigned to them for that service so agency representatives are able to contact them. Phone calls from FEMA may come from an unidentified number.

To be eligible for COVID-19 funeral assistance, the policy states:

The applicant must be a U.S. citizen, non-citizen national, or qualified alien who incurred funeral expenses after Jan. 20, 2020 for a death attributed to COVID-19.

If multiple individuals contributed toward funeral expenses, they should apply under a single application as applicant and co-applicant. FEMA will also consider documentation from other individuals not listed as the applicant and co-applicant who may have incurred funeral expenses as part of the registration for the deceased individual.

An applicant may apply for multiple deceased individuals. The COVID-19-related death must have occurred in the United States, including the U.S. territories and the District of Columbia. This assistance is limited to a maximum financial amount of $9,000 per funeral and a maximum of $35,500 per application. Funeral assistance is intended to assist with expenses for funeral services and interment or cremation. A dedicated 800 number has been established to help individuals who apply. In the meantime, potential applicants are encouraged to start gathering the following documentation:

An official death certificate that attributes the death to COVID-19 and shows that the death occurred in the United States. The death certificate must indicate the death "may have been caused by" or "was likely the result of" COVID-19 or COVID-19-like symptoms. Similar phrases that indicate a high likelihood of COVID-19 are considered sufficient attribution.

Funeral expense documents (receipts, funeral home contract, etc.) that include the applicant's name, the deceased individual's name, the amount of funeral expenses and dates the funeral expenses were incurred.

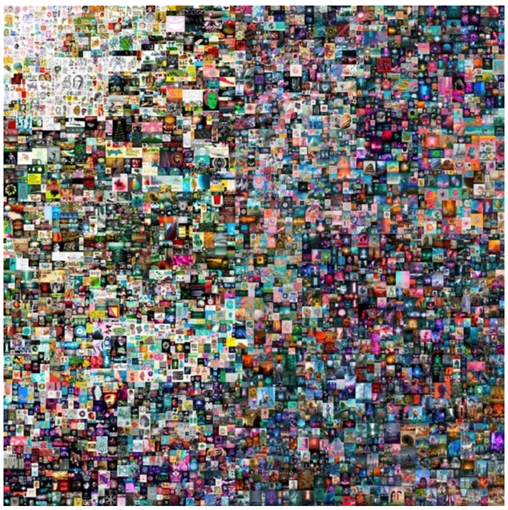
Proof of funds received from other sources specifically for use toward funeral costs. Funeral assistance may not duplicate benefits received from burial or funeral insurance, financial assistance received from voluntary agencies, federal/state/local/tribal/territorial government programs or agencies, or other sources.

Additional information about COVID-19 funeral assistance, including frequently asked questions can be found on FEMA.gov. This information is available online in 12 different languages and through FEMA-provided language services.

NFTs… THE FUTURE OF COLLECTING OR A HUGE BUBBLE?

This article found in https://www.businessinsider.com/what-are-risks-of-investing-in-nft-2021-3 (written March 13, 2021) by Tim Levin, reporter for Business Insider.

The market for digital collectibles is booming — but that doesn't mean they're a safe investment.



"Everydays: The First 5,000 Days" sold for nearly $70 million

A digital artist known as Beeple sold a piece for an eye-watering $69 million through Christie's on Thursday. Twitter founder and CEO Jack Dorsey is auctioning off his very first tweet, and bidding has reached $2.5 million. And NBA Top Shot, a marketplace for officially licensed basketball highlight clips, has seen more than a quarter-billion dollars change hands over the last 30 days, minting multimillionaires along the way.

For the uninitiated, these assets are all examples of non-fungible tokens, or NFTs, which use the same blockchain technology that underpins cryptocurrencies like bitcoin to keep track of ownership and create scarcity. Purchasing an NFT typically means you have access to the same file anybody else can view or download, but you're also granted something like a digital deed of ownership to it.

And although NFTs have been around for years, the market for them has exploded into a bonafide frenzy in recent months as mainstream companies and investors have piled in.

But for all the hype surrounding them, digital collectibles — like cryptocurrencies, stocks, or any other asset prone to speculation — come with significant risks that people would do well to understand before diving in, experts told Insider.

The top risks of the budding NFT market

For Nadya Ivanova, COO of L'Atelier BNP Paribas, an emerging-market research firm that collaborated with Nonfungible.com on a report on NFTs in February, the technology's greatest strength is also one of its major weaknesses.

Anyone on the internet can create an NFT out of literally anything, which means there are a lot of "really bad" tokens out there, Ivanova said in an interview. It takes a trained eye to weed out what's worth collecting or investing in.

"That applies to the physical art market as well — it's usually a space for the knowledgeable. Same thing with NFT art," Ivanova said.

And although Ivanova sees the NFT market eventually maturing and continuing its course into the mainstream, she recognizes a handful of additional risks and uncertainties new collectors should consider about the budding space.

The NFT market suffers from massive volatility, Ivanova said, in part because there aren't any mechanisms in place yet to help people price assets. Over the course of 2020, the value of some of the most popular types of NFTs spiked by around 2,000%, L'Atelier's report found. On Top Shot, some highlights that initially sold for a few dollars are now worth tens of thousands.

When it comes to liquidity — how readily an asset can be exchanged for cash — NFTs are a lot more like baseball cards or paintings than bitcoin or stocks, because every seller needs to find a buyer who's willing to pay a certain price for a particular, one-of-a-kind item. That can put collectors in a difficult spot if they, say, spent $100,000 on a Top Shot moment and the market begins to tank, Ivanova said.

But illiquidity can also be a good thing, since it prevents people from making rash decisions, Andrew Steinwold, a crypto investor who started an NFT investment fund in September 2019, told Insider. If people don't have the option to panic and offload their NFTs, the market could avoid the kind of plummeting values that would spark such a selloff in the first place, he said.

Do you really own your NFTs?

What most people new to NFTs don't realize, according to Steinwold, is that there's usually a distinction between the token itself — a record of ownership that lives on a blockchain — and the asset it refers to, which would be a photo, video, or audio file that's stored separately. If a startup that issued NFTs goes out of business and stops hosting those digital artworks, basketball trading cards, or other media, buyers could be left with tokens pointing to files that no longer exist.

There are remedies to this problem — like storing files using decentralized services — that both Ivanova and Steinwold think will be the norm soon enough, but for now that risk remains.

To skeptics like Nicholas Weaver, a profes-

NFT artist Beeple and a A detail shot from the collage,

sor of computer science at UC Berkeley, the hairy nature of NFT ownership proves that the tokens have no intrinsic value and that the frenzy surrounding them is absurd. "The ownership records themselves are the digital equivalent of Beanie Babies: cute little nothings that have no value beyond what someone else will buy them [for]," Weaver said in an email to Insider.

The potential for fraud and foul play

It's impossible to forge an NFT and it's easy to determine where one came from, but that doesn't mean the market is free from foul play. Anybody can theoretically mint an NFT out of a file that doesn't belong to them and pass it off as their own to unsuspecting buyers, Ivanova said.

Various types of manipulation prevalent in other markets also may be happening. Wash trading — when someone artificially pumps up the price of an asset by opening multiple accounts and trading with themselves — has historically been common in NFTs, she said. It's a practice that can be easy for experienced collectors to sniff out, but might be tough for newcomers to identify.

And since blockchain transactions are anonymous and irreversible, if someone gets into your computer and steals your assets, you're pretty much out of luck, according to Weaver.

From a security perspective, "'blockchain' is exactly the wrong solution for what you want," he said.

What the future holds

Despite the uncertainties, Ivanova sees huge potential in the future of NFTs. A correction is inevitable, she said, but ultimately the market will continue to grow and NFTs may become the underlying asset for the whole virtual economy, expanding far beyond just digital art and collectibles.

Steinwold, though he thinks some people are "getting a little ahead of their skis" in these early days, predicts NFTs will eventually be a trillion-dollar market. And he should hope so — his NFT fund invests in art, collectibles, virtual land, and video game assets.

Weaver, on the other hand, thinks the current NFT fever is "pure speculative mania," and that it's nothing but a bubble waiting to pop.

"It is entirely a classic tulip mania but where tulips are recorded in a different media," Weaver said. "At least with Beanie Babies they look cute."

BREAKING DOWN BARRIERS OF CREDIT SCORE REPAIR

In this episode, we hear from bankruptcy attorney Karina Lucid of Lucid Law (https://www.karinalucidlaw.com). We talk about the importance of your credit score and the perceived stigma around filing bankruptcy and how not taking action can tank your credit score completely. We find out about one of the biggest barriers to repairing your credit score and the (not-so) secret formula to fixing it for good. Karina also shares with us the one thing people miss frequently when they are trying to repair their credit score. As well as what she strongly urges her clients not to do when cleaning up their credit score.

Below is an short excerpt of our conversation. Be sure to check out the episode and like and subscribe to our channel for more content. See you at The Solution Point!

JMD [00:15:54] Karina, and maybe you can talk a little bit about what are some of the things that come into play in the FICO score? I know it's some secret formula, but there's some basics that you guys. And then I'll share a little bit of my story on that.

Karina [00:16:14] So the two key components that we really look at is the income to debt ratio and the credit utilization. So first of all, filing the bankruptcy is what cleans up the income to debt ratio. Right, because you have all this bad debt on your credit report and the bankruptcy wipes it out. So almost instantaneously, that's improving your income to debt ratio. Now, what people miss frequently that can really help to boost their credit score is the credit utilization component. People always say I had to go through this once. I'm never going to get another credit card in my life. You know, I have my car and I'm not just not going to get anything else right. But the contrary is actually very beneficial. And we help people, you know, with little tips kind of baby steps, right? We tell them go to a bank that you haven't done business with before. Open a little checking account there. You know, two, three, $500, right? And get a secured credit card and after a few months of using that pursuant to the terms, it'll convert into an unsecured credit card, and you can kind of build with baby steps that way. But if you really want to establish your credit faster, what you want to do is open a couple of accounts and just use them as if they were debit card accounts. And you want to use them, and you want to be preemptive about making the payments because they do 30-day billing cycles, right? But the credit reports are checked at the end of every month. So, if you're if you're paying when the card is due, instead of paying before the end of the month, you audit times will kind of hurt yourself inadvertently. So that's one thing, right? And then the other thing is, if you're not utilizing credit at all and you don't have credit available, that by itself lowers your credit score so you don't want to open a ton of accounts. Because that's bad. But you want to open a few, like two or three. And let's say you have three credit cards with a $5000 limit. Between the three of them, you use on sort of a rolling basis for your family's regular monthly expenses, four or five thousand of that that you pay off by the end of the month, every month that puts you at a one third credit utilization. OK. The ideal is about 30 percent. So, if you're using on a regular basis, about 30 percent of the credit that's available to you. Your credit score will go up exponentially and quickly.

Catalina [00:19:43] I love mathematical solutions, it's all about the math.

JMD [00:19:51] Let me share with you, that's kind of when I learned that technique. I was I was trying to buy a car and they were giving me this ridiculously high interest. And I was like, What's going on? Well, it's because your scores are not high enough to get the good rate. And so, I got recommended to somebody who does credit counseling or credit repair. And the lady ran my credit, and she said, "You have everything really good. Just pay off your cards, you know, stop carrying the balance. Just pay them off and to where you're only at 30 percent and you're going to see your score from one month to the next is going to jump." And sure enough, I did pay it and boom! So, I was like, OK, I got it. Stay on top of that and not let it keep growing. So, keeping track of that 30 percent. Another important aspect.

Karina [00:20:56] Very important. Yeah. So, zero is not good. Zero makes you look terrible to lenders, right? Because it makes you more of a risk. Why don't you have any credit available? That's the first thing they ask. But if you have that, you know that credit available and you're using that 30 percent or, you know, between 20 and 30 percent, you don't have to use the full 30 percent. It's kind of, you know, you have to feel out what's really works best for your household budget. But yeah, using that is a huge, huge, huge benefit as a matter of fact. It's funny. I was having a conversation with my banker yesterday because I decided that I wanted to take out a revolving line of credit for business growth because we are anticipating that now that all the stimulus money is dried up, the moratoriums are over, evictions are starting again, foreclosures are starting again. People are not getting the additional unemployment right. So, we're anticipating more bankruptcies and I need to be ready for that. So, I'm hiring some more people. We're getting some more I.T. set up and all that. And you know that that costs money. And obviously, you know, I thought it was a really good time to just take out a line of credit and pay for those things with a very low interest line of credit rather than my credit cards and my banker said, "Well, normally for business line of credit, we do a minimum of two hundred and fifty thousand. But you know, you're a longstanding, really good customer. So, if you want me to look at a lower threshold for you, if you don't need that much. Just tell me how much of a line of credit you need, and we'll set it up." I said to him, "No, just give me the 250. I don't have to use it. Yeah. And you know, it makes me look that much better to you and your banker friends down the road." So, I mean, I may only use twenty or thirty thousand of it, but I have access to 250. Yeah.

JMD [00:23:08] Your ratios go up.

Karina [00:23:09] Yes. Yeah. I mean, you have to have the discipline, you can't be a gambler. You can't be like, Oh, I have access to 250, so that means I can use it. Yeah, that's going to get you in trouble.

JMD [00:23:20] Put it all on black. But I'll I'm black and spin the wheel.

Karina [00:23:26] Don't do that! But they do. But having access to it actually is a is a huge help. And then, you know, and then there's other tricks. You know, there's the deleting of bad information off of your credit report and bad information can be things that are just outright wrong or unverified information that is not helping your credit score, you know, and we have a system for the right kind of letters to the right people to get that taken off your report. I will just say we strongly urge people not to do the online dispute process because although that seems a lot easier and, in some respects, it is, but it's much less helpful and you go automatically to a bot, not a human being, and human beings make better decisions. So, there's a whole metric of how we do that and the kind of letter writing that we work on.

Catalina [00:24:38] I wasn't even aware that. So, it's a credit repair, but online system.

Karina [00:24:49] So you can dispute errors on your credit report. OK? Online through Equifax or Experian, right? They have online dispute, and you don't want to use their the online tool because they usually will reject your request because they go to a bot and the bot does, you know, it's background check on the disputed entry and usually comes up with, Oh, well, it was on there because we had this data. So, then you have a dispute that was rejected. And that's even worse. Right?

JMD [00:25:50] So Carina, let me ask you a question that I think for everybody who is listening or watching. OK, so paying off your credit cards in full at the end of the month, is that a good thing or is that a bad thing or not necessarily good or bad? Does it help you to bring everything back to zero at the end of the month? Or is it something that you want to have a little bit of a balance?

Karina [00:26:16] We're going to define what paying in full is. Because you can pay everything that's on the card or you can pay the statement down. So, when I say pay in full, I'm saying pay the statement balance. It'll be revolving all the time because you've used the card since the date that the statement closed. So, there's still a little bit on there, but you have paid in full.

JMD [00:27:57] And the funny thing is, we use one of my cards for filings. And so, I get I get paid by the client. We charge the thing and then I'll go ahead and pay that off. But sometimes I'll like to get ahead of myself, and I'll be like, OK, I'm about to file a bunch of stuff. I just filed them. Let me move the money and pay those charges. The charges haven't hit the card yet because the state is usually a little slow in getting it through the system. And it won't let me pay more than what's on the account because they don't want to get upside down with you.

Karina [00:28:40] Well, that's good, I think. No, you don't want to be. I made a terrible mistake just a few months ago. I have three American Express cards that I use for different things, and I have specific buckets that I use things for. So, I had one of my cards that is zero balance. And one of my cards had a couple thousand due. And the other one had whatever it had. So, when I paid correctly and then the one that had the zero balance, I accidentally paid what was due on the third card. So, I came up with a credit of a couple thousand dollars on the one that had nothing due. And then the other one, I started getting these text messages saying there's an issue with your card credit card, please contact us to resolve it. And I'm like, What issue I paid in full, you know? So, then I called them, and I was like. I don't understand what's the problem, it's like, oh, well, your payment is overdue and I'm like, That's not right. I paid them full, so we went through it and fortunately American Express was able to just switch the payment to the correct card and everything was restored and fine. And we did it within like 10 days of when the payment was due, so there was no problem. But you know, you're lucky, I think, if you're using a credit card that doesn't allow you to do that by accident.

JMD [00:30:07] Yeah.

Karina [00:30:24] So yes, to be clear, even before the statement balances due before the month ends, you want to pay the statement balance. We're talking about the statement balance, not everything that's on the credit card.

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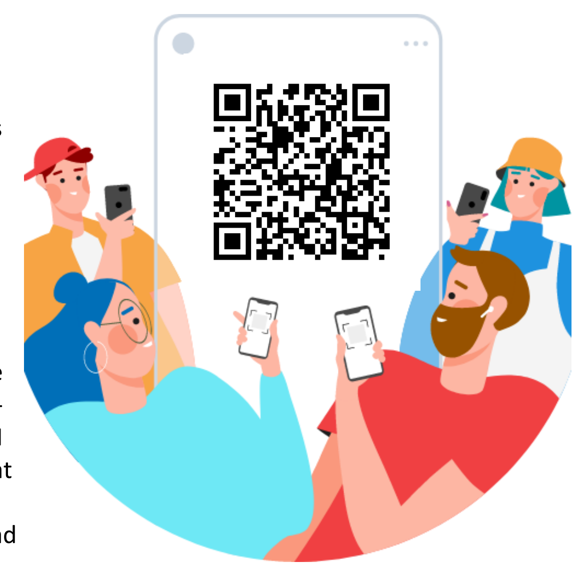
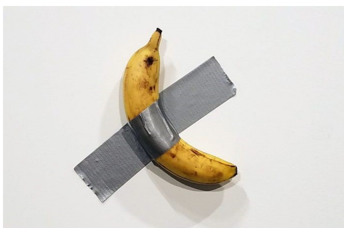


QUIRKIEST ITEMS THAT SOLD FOR MILLIONS AT AUCTIONS

From royal undies to a banana duct-taped to a wall, here are some really strange things that have fetched major moolah at auctions.

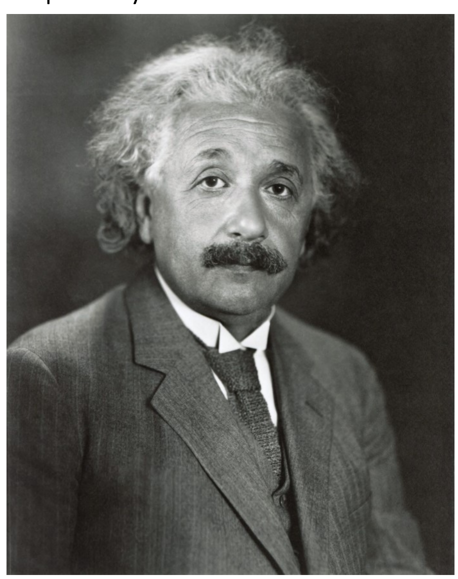
It's hard to say what is art anymore. One may think of the *Mona Lisa*, while another might value, say, a banana duct-taped to a wall. We're



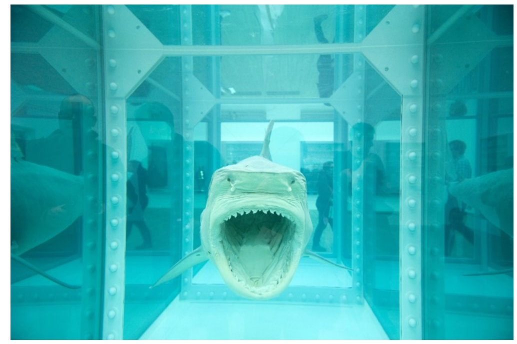
not being cute. That is literally what someone bought at the Art Basel art fair in Miami recently. Italian artist Maurizio Cattelan's controversial piece (said banana duct-taped to a wall), titled *Comedian*, sold for a whopping $120,000. The point of the piece, said the gallerist who sold the pricey fruit, was to question what "art" is.

One of the most memorable tales from the tragic sinking of the Titanic is the eight-piece band that played until the end. Led by English musician Wallace Hartley, the band played their instruments as the ship sank into

the frozen waters of the Atlantic Ocean in an effort to help soothe scared passengers. According to CNN, "Hartley's body was reportedly pulled from the water days after the April 1912 sinking with his violin case still strapped to his back." More than a century later, in 2013, Hartley's damaged violin was sold at an auction for $1.7 million in less than 10 minutes. It is the most expensive artifact linked to the doomed ship. A Japanese bellboy received the tip of a lifetime when he made a delivery to physicist Albert Einstein in 1922. Einstein was in Tokyo on a book tour when he found out he'd won the Nobel Prize. Overwhelmed by the honor and attention, Einstein put some of his thoughts to paper, which he gave the bellboy when he couldn't find change for a tip. "A calm and modest life brings more happiness than the pursuit of success combined with constant restlessness," Einstein wrote in German on a piece of hotel stationery, according to the *New York Times.* On the second paper, he wrote, "Where there's a will, there's a way." The two papers, his take on happiness, sold at a 2017 auction in Israel for $1.56 million and $250,000, respectively.



Weird art always seems to sell well and big. (See slide one.) But a piece by British contemporary artist Damien Hirst really takes the shark. Hirst is known for his obsession with death, seen in his high-priced and macabre styles of art. In 2004, he sold a tiger shark preserved in formal-



dehyde, titled The Physical Impossibility of Death in the Mind of Someone Living, for a reported $8 million. The 22-ton shark, which is obviously dead but kept scarily preserved, embodies life, death, and just what its title aptly describes.

And speaking of bathroom inspiration, cotton knickers owned by Queen Victoria (Queen Elizabeth's great-great-grandmother) sold in 2015 for $16,300. Embroidered with her royal initials, "VR" for Victoria Regina, the undies were in pristine shape, having been wrapped in tissue and kept in a temperature-controlled room. There was something unique about these roomy drawers, which boasted a 45-inch drawstring waist. "On these particular knickers, there is a chevron section, which is where they were taken up slightly as Queen Victoria got older and essentially she shrunk in stature," auctioneer Richard Edmonds told People.com. "That element got the collectors really excited, because you can then date them quite specifically to the last 10 years of her life."

Something I want to talk to you today is a thing called a Qualified Income Trust. Now, the common everyday term for this is also a Miller Trust, and it nothing to do with the beer. This is an estate planning strategy I employ for my clients that helps them receive government benefits when they have a higher income. This type of trust allows certain people to be able to qualify for government benefits, such as nursing homes benefits and things of that nature. So how does it work? Well, first you create the Miller Trust. Within this trust, there are certain restrictions placed on what the money can be used for. Money is essentially set aside only for the benefit of that person and only certain things can be paid for with those funds. The reason I employ this estate planning strategy is because the income cap that the government imposes can be one of the reasons that prevents people from receiving benefits. The current income cap is around $2000 and change in monthly income. So, the way this trust helps is by assigning the income stream to the trust and the trust, not the person, basically gets the income. It's an irrevocable trust, meaning it cannot be changed. It cannot be modified. As a result, it has the ability to “push” the income out of the person's name, reducing their income, thus allowing them to qualify for benefits.

When I meet with my clients, we discuss what would be most beneficial and advantageous to them and their situation. It is important for us to meet because everyone is different, and I need to help them plan according to their needs and the goals they are trying to achieve. They might want to put all of their income or just some of their income into the Miller Trust. But I recommend to my clients who may benefit from this strategy that they will want to put enough the trust to be sure they qualify for the benefits that they need. Once the Miller Trust is in place and their monthly income is being streamed to the trust, they can run the benefits application again and now that income that has been moved out of the person’s name and into the trust, so it is no longer counted. Now that my clients qualify under the income test, the Miller Trust has done its job.

Now, here's kind of the other shoe has to fall. So, the downside of a Miller Trust is that all of the accumulated funds in the trust have to go to repay the government for whatever benefits were paid out. So, if over time, if there is $10,000 has accumulated in the Miller Trust, those $10,000 dollars, upon the death of the individual, will go to the state. Now, in most cases, it is a better bargain to do the Miller Trust and go ahead and have the income pushed out and possibly lost in the future because the benefit of having the government pay for nursing home benefits is much more valuable in the moment of need.

Another important thing to keep in mind is that you can do some of this estate planning ahead of time. If you plan for *“what if I become incapacitated?”* there are certain types of trusts that we can put in place. There could be some revokable trusts that could be started and then they become irrevocable upon a disability. So, as you can see, there's lots of different things that we can do if we have more “runway” or time to let the plan evolve. The other thing that's important is that there's a five-year look back, which means the government can look back five years and say, “Hey, during these five years, you still had these assets, so you don't qualify”. Now, that's more along the lines of the assets, and that's beyond what the trust does. The Miller Trust will only help my clients qualify under the income test; it doesn't do anything to qualify under the asset test. Bottom line, the more time you have to plan for the future, the much better off you will be in being able to protect your assets and provide funds for your family once you pass, instead of it going straight to repay the government. Until next time.

Best Regards,

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