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OUR TOP 9 OF 25 BEST BUSINESS IDEAS OF 2021
PAGE 4

THOUGHT CONTROL
PAGE 6

BECOME A MILLIONAIRE IN 15 YEARS WITH \$10,000
PAGE 8

***AVOID THE NUMBER ONE
ESTATE PLANNING MISTAKE***
PAGE 2

**BREAKING DOWN PPP HURDLES: THE SECOND ROUND
WITH THE SOLUTION POINT GUEST, CPA RAUL GARZA**
PAGE 12

AVOID THE NUMBER ONE ESTATE PLANNING MISTAKE



Friends,

The biggest estate planning mistake that most people make is *not making an estate plan*. Shockingly, less than half of American adults report having a will or other estate planning documents. Why? Here are four common reasons.

Indecision.

You may think your estate plan has to be the final word about how you want your estate to be administered and you're just not ready to make such huge decisions. But an estate plan is something you cre-

ate for right now with what you currently have, what your thoughts are for giving it away, and whom you currently want to give it to. Next year, all that can change. All you have to do at that point is to revise your plan. Once you've made your first plan, the next one becomes much easier.

Disagreement with a spouse or partner.

Sometimes spouses and life partners disagree on whom they want to name as beneficiaries. This situation is particularly common with second marriages and

blended families. Although each person is free to have his or her own will, they should generally agree about the inheritance of their children. Otherwise, it is often the longest surviving spouse who gets the "final say." Consider working with a mediator or neutral third party facilitator to achieve a compromise you both can live with.

Belief that it's too soon.

Young people think they have time on their side. However, often young people are the ones who need a will the most, especially if they have young children.

You can use a will to designate who will care for your children and be their legal guardian should you and their other parent both die. In your will, you can name a guardian or set up a trust to manage the assets you leave for your minor children until they become of age. A will is just one part of an estate plan. Often young people overlook health care directives and financial powers of attorney. You may think you do not need these documents until you are old or seriously ill. But an incapacitating accident can strike at any time.

Procrastinating until it's too late.

It's easy to postpone estate planning thinking you'll be able to do it next month, next year, after you retire or reach some other milestone. But will you? To make an estate plan, you must have a certain level of mental capacity. Once you lack capacity, whether a consequence of aging, illness, or accident, your family is left with few options. If you do not have a trust with an incapacity clause and/or a financial power of attorney, the only way a loved one can obtain the power to make decisions for you is to be appointed your guardian or conservator by a court. This takes both time and money. It also does not guarantee that your wishes will be carried out.

If you die without an estate plan, your estate will pass to your relatives according to your state's intestacy laws. They are inflexible and there's little your loved ones can do after your death to change the result, outside of disclaiming (giving up) an inheritance so that it can go to the next relative in line.

In Texas, specifically, if a you are single and die without a will in Texas, your property will be distributed as follows: Your estate will pass equally to your parents if both are living. If one parent has

died, and you don't have any siblings, then your estate will pass to your surviving parent.

However if you do have siblings or descendants of siblings (nieces and nephews), then your surviving parent would receive only half of the estate. The remaining one-half would be divided among your siblings or their descendants. All of your estate would pass to your siblings or their descendants if you have no surviving parents.

If you have no surviving parents, siblings, or descendants of siblings, then the estate will be divided into two halves. One half will pass to relatives on your mother's side. The other half will pass to relatives on your father's side.

If one side of the family has died out, the surviving side of the family would inherit the entire estate.

On rare occasions, when an unmarried person dies without any surviving heirs, his estate will pass to the State of Texas. Perhaps you have a close friend who you would have wanted to share in your estate. That would not be possible without a will.

In some states, if you have no close relatives, your estate could go to people you have never met. It's even possible that money from your estate will need to be spent locating your heirs and confirming their relationship to you.

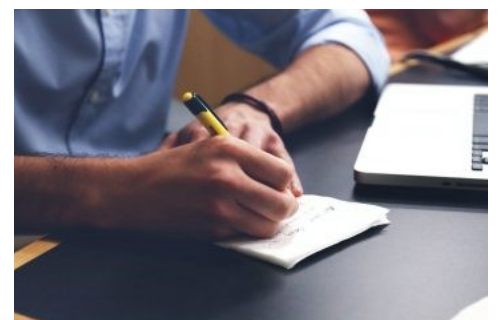
In your estate plan, you may want to provide for a partner to whom you are not married; leave something to a friend or loyal caregiver; make a donation to charity; leave unequal shares to your children, or even disinherit a child. You need a will or a living trust plus a will to accomplish these goals.

A will or living trust is even more im-

portant if your affairs are complicated by stepchildren, property overseas, ownership of a business, or potential estate or inheritance tax liability. By writing an estate plan, you can ensure your wishes are carried out, costs are minimized, there are adequate financial and guardian provisions for dependents, and you have clearly identified who is to receive what property.

Please call my office to schedule your personal consultation with me. I look forward to meeting you and learning how I can help you define and achieve your estate planning goals.

For my booklet, "A Guide to Putting Your Affairs in Order, scan the QR code below or call our office and ask for Catalina to send you a copy:



OUR TOP 9 OF 25 BEST BUSINESS IDEAS OF 2021

ARTICLE by Nicole Martins Ferreira (March 12, 2021)

With so many business ideas in 2021, it can be hard to figure out which are worth pursuing. While jumping on a new trend can sometimes be risky – it can also be highly rewarding. You may notice that a lot of the ideas on this list have been growing in popularity recently. Others have been popular for a long time, making them more competitive but less risky. However, all the small business ideas below will help make you money.

(Editor's note... here are our top 9 picks of the 25 Nicole presented in her article. For the full article, go to: <https://www.oberlo.com/blog/business-ideas-that-make-money>)

If you have been asking yourself what business to start, then this list is for you. According to small business statistics, one of the biggest motivations for opening your own business is being your own boss. Owning a business gives you the freedom to work when, where or how you want. Want to work at a beach or your grandma's house? Go ahead, no one

is going to stop or question you. This is the dream life many people hope to live one day, and thanks to some great business ideas, achieving that lifestyle is well within your reach.

Let's take a look at the list of business ideas that'll make you money in 2021:

1. Dropshipping

Are you looking to sell products online but don't have the money to buy and store inventory? Consider dropshipping. Dropshipping is an ecommerce business model in which you don't have to manage any physical products. All you have to do is set up an online store, and partner with suppliers who're ready to store, package, and ship orders to your customers. One of the reasons that people are often drawn to dropshipping is that you don't have to hold inventory. However, if holding inventory isn't an issue – maybe there's enough room in that spare closet – then you can also source products wholesale. Online marketplaces like

Handshake enable small business owners to find unique, high-quality products and build long-lasting relationships with suppliers. It's worth checking out as a supplement to dropshipping if you already know what you want to sell.

7. Personal Shopper

Do you often get praised for your eye for fashion trends? Are you someone who friends and family come to for clothing advice? Personal shopping can be a business that builds on those skills. Personal shoppers find clothing items for clients who are struggling to find their personal style. Duties involve evaluating your client's wardrobe, visiting websites and picking items that will suit them. There are all sorts of products on all kinds of online clothing boutiques, so you don't necessarily have to shop offline to get this business started. Plus, you don't need to hold any special certification or degree to become a personal shopper. If your interests lie in business ideas with low investment, personal shopping might be the ideal route to consider.

10. Content Writing

Almost every company with an internet presence needs help with creating content for product pages, blogs, etc. As such, starting a content writing or copywriting company could be one of the most profitable business ideas for you. Popular websites for finding those first few customers include Remote.co, Problogger Jobs, and BloggingPro. You can also join content writing groups on Facebook to get more exposure for your busi-



ness. There are lots of ways you can make a good impression on clients, such as by offering keyword optimization or custom graphics as part of your services.

11. WordPress Support

A lot of websites out there are hosted on WordPress, and almost every WordPress website owner requires support in form. So, if you're familiar with the ins and outs of this platform, you'll have several opportunities to make money. Clients may contact you to fix their CSS, find and address security holes, and more. While you can use platforms like PeoplePerHour and Upwork to get your first clients, we recommend that you create a custom website and list your services there. That way, you'll be able to avoid high commissions and build high-quality relationships with your clients. Hands down, offering WordPress support stands as one of the most unique business ideas to try in 2021.

12. Career Coaching

With rising unemployment and a saturated job market, there's no shortage of people needing help with finding jobs. If you have a talent for helping your friends and family find suitable employment, you can probably help others too. Consider starting a career coaching business where you help others figure out what is the best career for them, how to nail an interview, what traits define a good candidate, and more. You can look for clients in Facebook groups or on platforms like Coach.me. The best thing about this business is that you can make money by conducting 4-5 hourly sessions a month. Plus, you can coach multiple clients in a single session. If you're looking for good business ideas that won't occupy too much

of your time, career coaching may be the right option for you.

14. Meals-to-go

Seriously, there's no end to the line of people who struggle to find time to cook nutritious and healthy meals. This has led to a rise in meals-to-go-businesses offering all kinds of cuisine options. You can capitalize on this trend by starting your own meals-to-go business in your city, state, or neighborhood. Contrary to the popular belief, you don't actually need to invest in designing a large commercial kitchen. A meals-to-go business can also be managed from a shared rental kitchen. These places are usually equipped with all the essential supplies and can be rented by the month, day or hour. You can find shared-use, licensed commissary kitchens through websites like The Kitchen Door.

22. Software Education

Do you have acquaintances who lack proficiency in computer software? If so, you can set up your own software education business and enroll students on a monthly basis. Pupils might include entrepreneurs looking to build on their IT skills, or other small business owners looking to master software like Excel and PowerPoint. If you have the expertise, you can lead from the front by teaching most of the classes. As your business grows and more people sign up to your programs, you can hire freelance software experts to teach students based on their area of expertise. Although you can rent out space for classroom lectures, consider hosting virtual classes to keep costs low and expand your business to international markets.

24. Niche Staffing Agency

Nearly every industry has open jobs, and the employers are keen to hire the best people for their companies. Your task as a niche staffing agency is to match employees to employers in your sector of choice. Figure out what type of roles you'll be staffing (junior? Mid-level? C-level?) so that you're able to identify the right candidates for the position. Additionally, consider the employment terms that your agency will share with potential candidates. You can be a temporary, temporary-to-permanent, or long-term staffing agency based on the needs of the market.

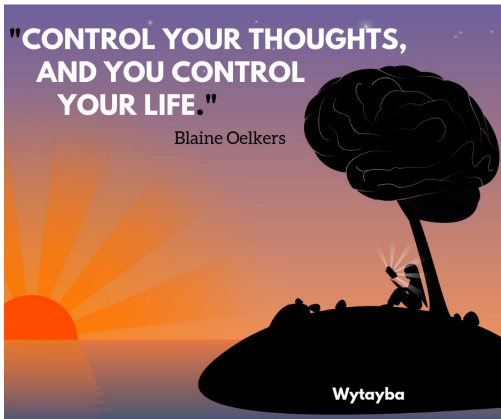
25. Digital Event Planning

One of the best small business ideas is to open up a digital event planning company. In this business, you'll plan, organize and report on digital events like webinars and online summits for different companies. Money can be made by charging an hourly fee for your service, selling sponsorships, and other things. If you ever dreamed of becoming an event planner, but never quite got time to organize anything, you can still channel your inner facilitator by planning digital events for businesses.



Nicole Martins Ferreira is an ecommerce expert who spends her days building and tweaking online stores and sharing her research to help other entrepreneurs succeed. On a perfect day, she would just build stores all day. And she's been lucky enough to experience a lot of perfect days

THOUGHT CONTROL



Thought Control.

If you know me, then you know one of my favorite sayings is WYTAYBA: What You Think About You Bring About. I've written articles and a guidebook book about it. I've done a TEDx talk about it. WYTAYBA plays a large role in our lives. What you focus on expands. What you think about, you literally bring about in your life. Every feeling you have is a direct result of something you were thinking. This begs the BIG QUESTION...

How Do You Take Control Of Your Thoughts?

When you take control of your thoughts, you will have taken control of your feelings, your life, your success, and your destiny. So how do you do it? How do you control your thoughts? How do you choose which thoughts you have? How do you keep your thoughts upon the things you really want? How do you silence the unproductive and negative thoughts? Wherever your thoughts go, the rest will flow.

The Good News Is That It's Totally Under Your Control

It's not the outside world, the local community, life's circumstances, life's ups, and downs

– it's none of that. It solely rests on your shoulders – literally – it's your brain. You have total control of your mind and can choose the thoughts you desire to have. Initially, it's work and takes focus, but it gets easier over time. You have all the power over your own mind. You can't control what happens in life, but you can control your response to what happens. That makes all the difference.

So How & Where Do I Start?

The first thing you need to do is get clarity about what you want to bring about in your life. To know what to think about you need to know what you want to bring about. What is it for you? What do you want to bring about in your life and business? Who do you want to become? What do you like best about yourself? Focus completely on what you want – NOT on anything that you don't want. NOT on anything negative. NOT on any of your bad habits or shortcomings. The first step is to decide, for now, what you want to bring about. You don't have to figure it all out but at least get a starting point of a few things you want to bring about in your life and business. For example, on the personal side, maybe you would like to bring about more happiness and joy in your life. What does that look like? How will you know when that is achieved? Is that you smiling 5 times a day? Laughing, enjoying time with someone you love. Having happy thoughts is powerful. On the business side, perhaps you would like more success for your business. What does that look like? Is it a certain amount of profit per month? A certain value of the business? Taking a full day off each week?

We Need To Set Our Thoughts Upon That!

We need to FOCUS – Follow One Course Until Successful. You can control your thoughts by

keeping them focused on what you want to bring about. You will have a positive expectancy about them. There are a few key ways to do this. Master them, and you master your life.

The 6 Power P's of Thought Control

The power to control your thoughts comes from the 6 Ps of Thought Control Power:

Placement-power, People-power, Past-power

Proactive-power, Pain-power, Purpose-power

⇒ Placement Power – You need to place your desired thoughts in front of you throughout the day. This Spaced Repetition is powerful and ensures you stay on course with your thoughts. Here are a few to get you started.

- Your Phone's Unlock Screen (the picture you see)
- Post-it Notes
- Voice Memos
- Write it out Daily
- Digital Reminders (on your smartphone)
- Habit Linking - Link the placement of your positive thoughts to a habit you are already a master at like brushing your teeth – then twice a day you will be able to reset your thoughts to your bring about statement.

⇒ People Power – Your contact with people controls your thoughts in many ways. It's important to use this people power to your thought control advantage – let's look at a few ways.

- Positive Partner - partner up with a positive supportive person to remind each other of your bring about statements and keep the focus on that
- Talk About It - hearing your own voice saying those thoughts you want is helpful
- Invisible Counselors - in Chapter 14 The Sixth Sense of Think and Grow Rich Napoleon Hill talks about having conversations in his mind with influential people – you can do the same by imagining con-

versations with those that can inspire you and your thoughts

- Be Around People With Qualities You Want To Bring About
- Connect with a Mentor – for me, it's Jim Rohn and his audio series: The Power of Ambition
- Do Daily Check-ins - Text, Facebook Groups, GroupMe, Email

⇒ **Past Power** – There is power in the past. Your past and the past of others prove that something can change, something can be done and you can transform.

- Your Greatest Moment – visualize one of your greatest moments – maybe a big sports win, a big work win, wedding day, the birth of a child, a loving moment – think about it and relive it in your mind
- Use an Achievement Journal/Log – accumulate small wins – win early and win often
- Know You Can – look to your past successes or the successes of others to know you too can do it

⇒ **Proactive Power** – You have the power to act – to do something and to do that something right now. You can take control of your situation and your thoughts proactively.

- Affirmations – create statements about your best self and repeat them daily
- Affirmations – create empowering questions and repeat them daily
- Gratitude
- Meditation
- Qigong
- Exercise – anything that can clear your mind
- Mindfulness – take a step back from your thoughts - awareness
- Music

- Food – all the inputs – surroundings
- A Spiritual Connection
- Take Extreme Ownership
- Routines – Morning, Evening, Daily
- Daily Plan
- Reading a Good Book
- Write Out and Release – take your negative thoughts and experiences and write about them – look back and ask “What did I learn from that?”

⇒ **Pain Power** – Take the pain, doubt, and bad attitude and use it as a springboard off the bad stuff to the good stuff.

- Yeah, but... - as soon as you have a negative thought or catch yourself saying something critical immediately say out loud: “Yeah but...” and answer that question.
- Cancel, Cancel - When you have a bad or wrong thought say “Cancel, Cancel” and switch it to an Affirmation: “What do I find it so easy to... (insert thought or behavior you want)”
- The Solution to Pollution is Dilution – you have to dilute all the negative and bad thoughts that you have. The best way to do that is to overload your mind with good thoughts. You have to put in 3, 5 maybe even 10 times the number of good thoughts to dilute the bad ones. I do this by being around positive people, reading self-development books like Think and Grow Rich, and most importantly flooding my mind with positive audio programs (with Jim Rohn being a favorite!).

⇒ **Purpose Power** – The strength and persistence needed to take full control of your thoughts come from alignment with those things in life that really matter. The purpose

of your life and the emotions you have around that purpose is very powerful.

- God – What's God's purpose for your life? Stay in alignment with that.
- Family – In the end, all thoughts go back to memorable moments with people you love. Keep your thoughts focused on those you love the most.
- Purpose – connect to a purpose greater than yourself.
- Relationship – invest in thoughts about key relationships in your life.

You have the tools and can begin right now to take control of your thoughts, your life, and your business. Start by getting some clarity on what you want to bring about and then start using the 6 P's to make it happen. The key is to start now, to win early and win often. The steps are laid out and all you have to do is to take the first one. Now it's your turn. Take control of your Thoughts and make it a great day,

Blaine



Blaine Oelkers is a lifetime entrepreneur, graduate of Purdue University and Stanford University's Entrepreneurship program. He's achieved over 100 Million dollars in sales and coached thousands of people. He's America's Chief Results Officer and Day Ahead™ Specialist helping business owners go from being a day behind to being a day ahead in business and in life. He's the world's greatest creator of valuable doneness. He can be reached at blaine@selfluence.com.

BECOME A MILLIONAIRE IN 15 YEARS WITH \$10,000



Here is my recipe to becoming a millionaire in just fifteen years! This has worked for many people and it can work for you.

Start Simple.

I compare the process to compound interest, which is how banks make money on loans. However, for our example, the interest the bank makes is replaced with appreciation in property value. One major advantage this formula has over the bank's is that the entire property appreciates in value, including the amount owed to the bank. The only thing you have to do to keep the bank's share of appreciation is make the monthly payments on the loan. The purpose of this example is to show you how simply it can be done by anyone. You may need to make some adjustments to my plan to meet your personal goals and to work within your current financial situation. For this example, we will make some conservative assumptions. We'll assume the property will appreciate in value at a rate of five percent per year and will produce sufficient income to pay the bank note. Further, we'll assume a six percent annual interest rate and a ten percent

down payment. We will ignore any positive tax effects, profits generated and closing costs.

| Year 1 | |
|-----------------------------|-----------|
| Property 1 (Purchase Price) | \$100,000 |
| Loan (90%) | \$90,000 |
| Equity (Down Payment) | \$10,000 |

Small Starts, Big Gains.

You start by purchasing your first property worth \$100,000 in the first year, making a down payment of \$10,000. Five years later, the property is worth \$128,335.87, but the note is \$68,823.55, leaving you with equity of \$59,512.32. You can use part of this equity by pledging or refinancing to put a down payment on another property at year five. You can get ninety percent of the first property,

| Year 5 | |
|--------------------|--------------|
| Property 1 (Value) | \$128,335.87 |
| Loan Balance | \$68,823.55 |
| Equity | \$59,512.32 |

less the note, to give you \$46,678.73 for a

down payment on the second property.

In year five, you buy your second property for \$466,787.30. You have a note on the first property for \$115,502.28, plus a note on the

| Year 5 | |
|-----------------------------|--------------|
| Property 1 (Value) | \$128,335.87 |
| New Loan | \$115,502.28 |
| Equity | \$12,833.59 |
| Property 2 (Purchase Price) | \$466,787.30 |
| Loan | \$420,108.57 |
| Equity | \$46,678.73 |
| Combined Property Value | \$595,123.17 |
| Combined Debt | \$535,610.85 |
| Combined Equity | \$59,512.32 |



| | Year 10 |
|-------------------------|--------------|
| Property 1 (Value) | \$164,700.95 |
| Debt | \$88,325.29 |
| Equity | \$76,375.66 |
| Property 2 (Value) | \$599,055.53 |
| Debt | \$321,259.55 |
| Equity | \$277,795.98 |
| Combined Property Value | \$763,756.48 |
| Combined Debt | \$409,584.84 |
| Combined Equity | \$354,171.64 |

| | Year 15 |
|-------------------------|----------------|
| Property 1 (Value) | \$211,370.39 |
| Debt | \$113,353.03 |
| Equity | \$98,017.36 |
| Property 2 (Value) | \$768,803.12 |
| Debt | \$412,321.82 |
| Equity | \$356,481.30 |
| Property 3 (Value) | \$3,565,119.07 |
| Debt | \$1,911,890.48 |
| Equity | \$1,653,228.59 |
| Combined Property Value | \$4,545,292.58 |
| Combined Debt | \$2,437,565.33 |
| Combined Equity | \$2,107,727.25 |

second property for \$420,108.57, for a total debt of \$535,610.85. Your equity in both properties is \$59,512.32. Again, you can borrow ninety percent of the property values, less the notes, to put down \$277,796.00 on a third property. You can purchase a property worth \$2,777,960.00. You will owe \$148,230.86 on the first property loan, \$539,149.98 on the second, and \$2,500,164.00 on the third, for a total debt of \$3,187,544.84. The value of all three properties is \$3,541,716.48, putting your equity at \$354,171.64. Not bad for 10 years.

Fifteen years after buying the first property, you have three properties worth a total of \$4,545,292.58 (first, \$211,370.39; second, \$768,803.12; and third, \$3,565,119.07). Your debt on the properties totals \$2,437,565.33 (first \$113,353.03; second, \$412,321.82; and third, \$1,911,890.48). Your equity in the three properties is \$2,107,727.25.

The Big 15!

In just fifteen years and three transactions, you can go from having \$10,000 to having more than \$2,000,000. Fifteen years may sound like a lot of time. You may think, in fifteen years I will be

much older. But think about this for a moment: The next fifteen years will pass whether you put this plan into action or don't do anything at all. This plan can be accelerated by buying more properties more frequently with additional funds, or it can be slowed down by starting with a lower-priced property or waiting longer between purchases. The purpose of this example is to show you what having a simple plan, a little money, and some time can do to build wealth through real estate. In the following chapters, I will discuss how to find the properties that you can work into this formula. Evaluating a property's cash flow, profitability, and growth potential are necessary steps before you buy. Obtaining reasonable financing for your purchase is also key. These points will be discussed with greater detail in the following chapters. Upon finishing this book, I recommend that you start charting your plan to becoming rich with real estate and go find your first property!

This article is an excerpt from my book, *The Road Map to Rich: a Lawyer's Perspective on Getting and Staying Rich*. If you would like your own hard copy for free, please call us at 956-791-5422 and we will deliver to your preferred mail box.



11 OF THE MOST BIZARRE INSURANCE POLICIES



The typical insurance policy covers tragedies relating to injuries, death, or property destruction. These common risks are easy to spot and cover. But what about the unique personal and business risks you face? While insurance shouldn't necessarily be the first or only risk management technique you turn to, if there's a risk, you can bet there's a company that will write a policy for it.

This is a list of 10 strange but very real insurance policies we've come across. They may seem weird to the average person, but in most cases they protect the owner from a very real risk.

Hairy Situations

A good mustache is a thing of beauty, and apparently it can be very valuable as well. Cricket player Merv Hughes insured his mustache for a remarkable \$370,000. This number is dwarfed by the astounding \$7,000,000 insurance policy issued to cover the chest hair of singer Tom Jones.

Sitting on a Fortune

Would you pay \$27 million dollars for a seat? Apparently there is an insurance company willing to pay that much for J. Lo's. The actress/singer, Jennifer Lopez, reportedly secured a \$27 million dollar policy for her butt. Yes, that's 27 followed by six zeros, if they actually wind up writing a check to cover it.

The Sky is Falling!

Chicken Little may have rested a little easier with the proper insurance coverage. Such as an insurance policy was offered and actually issued to cover "death caused by accident" in the form of a falling sputnik. In the 52 years since Sputnik was launched, there has yet to be a recorded instance of death caused by falling satellite, shuttle, or space station parts.

A Million Year Payout

Which insurance pays you back as much as \$1 a year for a million years? Alien abduc-



tion insurance of course. Why get your money all at once when you can stretch the benefits out for a million years! I guess the upside to getting abducted is a small but steady income stream that will be difficult to outlive. St. Lawrence Agency in Florida was the first company to offer this unique coverage – and it says that it has paid out at least two claims.

Can't Buy Me Love

You can't buy love, but apparently you can insure against it. Lloyd's of London issued a \$100,000 dollar policy to protect a photographer if his prize model married. Did she get married? Yes, but only after the policy had expired.

No Laughing Matter

What happens when a comedy team has irreconcilable differences? Abbott and Costello didn't take any chances. The famous duo took out an insurance policy for a quarter of a million dollars to cover them if an argument split their team.



Seeing Things Straight

20/20 vision may be great for reading, but sometimes it pays more to be cross-eyed. Ben Turpin was a famous silent film actor with crossed eyes. In Hollywood you make money by standing out, not by fitting in. That's why Ben took out an insurance policy which would pay him handsomely if his eyes were to ever become uncrossed. until 1950, when the money ran out.

Bend It Like Beckham

Quite possibly the most ironic item on this list considering that Beckham recently had surgery on his Achilles tendon. If he can't play soccer again, Beckham can expect a cool \$151 million payout.

Tourist Riot Insurance

Thailand can be dangerous, so to encourage tourism, its government is offering insurance policies in case of a riot:

"Thailand is continuing to offer insurance coverage worth \$10,000 to anyone harmed in riots and demonstrations as it seeks to attract tourists scared off by

political turmoil, officials say."

Lottery Protection

Say you own a small business and a bunch of your employees and colleagues entered a lottery pool. They all hit the jackpot, and then resign, on the spot, telling you to take your job and shove it you-know-where as they split for greener pastures with their millions in win-



nings. Just in case this happens and your staff goes all mutinous on you, companies in the United Kingdom can take out what's coined a "lottery" insurance policy, protecting against financial losses stemming from a loss in productivity and the costs to interview, rehire, hire temp workers, etc.

Chicken Insurance

Most of us are content with having a dog or cat. Then there are the odd ducks who want to have, well, ducks, chickens, cows, pigs, mice or other farm-appropriate animals as pets in a residential setting. Most pet insurance policies will cover costly medical expenses and costs of care for felines and canines, but what about the rest? Rest assured, alter-

native pet owner, some private insurance companies do offer livestock insurance. No matter what you're afraid is going to happen to you in life, there's an insurance policy that will cover you.

Whether it's something common, like the fear of losing the ability to work or the fear of dying young, or something a little more out there (cough, aliens, cough), insurance has you covered.

BREAKING DOWN PPP HURDLES: THE SECOND ROUND

The Solution Point podcast excerpt with Raul Garza (taped March 4, 2021)



the second round? If you got the first round, it doesn't mean you automatically qualify for the second one?

Raul: That's correct. Yeah. You don't automatically qualify. The first round, pretty much everybody qualifies, assuming you had payroll. This time, they said, well, in order for you to qualify, you have to meet a certain requirement. One of them is, you had to have experienced a decrease of 25% or more in any quarter from 2020 compared to 2019. That's the number one biggest hurdle. So, you don't have to experience that for the whole year, just in any quarter. That's the trigger point to get you into this program. Then the second obstacle to overcome is how to calculate the loan. So, one of the other complexities that we're encountering is if you have one of these serial entrepreneurs that have multiple investments, now the SBA is saying, OK, you might have to include in the computation of the determination of the 25% decrease or more, the revenues of all these entities that you own more than 50%, or that you control. So, you end up having situations to where one of your companies having experienced that 25% or more, but once you aggregate all of them, you might not meet that threshold. But by the same token, you could have the opposite to where individually you don't meet the twenty-five, but collectively you do. It could be a double-edged sword.

JMD: But you don't you don't get to pick.

Raul: You don't get pick. What you do get the pick is, you get to make the assessment in the companies where you own more than 50%, it'll be fifty-one or more. Or where you don't necessarily have the more than 50%, but you do control the company; so, you have to incorporate that into these gross receipts.

JMD: So now this loan is a forgivable loan also, right? Like the original PPP had a forgiveness component. Does this also have a forgiveness component to it?

Raul: That is correct. It also qualifies, which right now, that's what we're dealing with. We're dealing with the forgiveness application of the first one. And then once you get this and you meet all the requirements of meeting the forgiveness qualifications, you'll also qualify for that. And they made it they made it easier to qualify for that. So, if you got a loan of one hundred and fif-

JMD: Welcome to the Solution Point podcast, where we look for solutions for your business, your life and the law. My name is Joseph Michael Dickerson. I'm an asset protection and board-certified estate planning attorney, and I'm here with my producer and co-host, Catalina Dickerson.

Catalina: The two-hand wave now. Hi, everybody.

JMD: So, today we have as our guest, Raul Garza. He is a top CPA. He has a lot of experience in business, business accounting, business tax issues, especially with international clients. So, without further ado, let me introduce Raul Garza. How are you doing, Raul?

Raul: Doing well, Mike. Cat, thank you very much for having me here.

JMD: Raul, what are some of the qualifications for

ty thousand dollars or less, the application is significantly easier now, and you really don't need to present any supporting documentation other than the application itself for forgiveness.

JMD: What are what are the things that that you need to spend the money on to qualify for forgiveness? Perhaps some people got the money because they said, Oh, let's get the money, but you're supposed to spend it on certain things in order to be able to get the forgiveness. Can you share with us some of the things that are acceptable spending for forgiveness?

Raul: Originally, they were asking for 75% on payroll and then the remaining 25% was very limited to rental expenses of personal and real property, utility bills, some interest and really that was it. With the version that came up in December of last year, they've expanded on that and they allowed is now for payroll only to be 60% minimum and the 40% in addition to the areas that I mentioned. Now you have other areas like operating expenses that you can include. You can also take into consideration any damages that you might have experienced because of the protesting that was going on, things of that nature. So, yeah, they made it a little bit easier for you to be able to spend the money and qualify for the forgiveness aspect of it.

Catalina: It's basically, this is how you can spend your money to have survived 2020, get you out of 2020 and hopefully 2021 is not going to be a repeat. Right? But that's fantastic news for those people because, I can only imagine the fear that they have. First, getting the setback back with covid, who knows how many employees or staff or affected, their livelihoods, plus, they get basically attacked and then having to deal with that.

JMD: Yes, and as a semi-serial entrepreneur myself, the biggest expense in most businesses, especially service businesses, is payroll. So, this PPP really is a shot in the arm for any business because probably the biggest single expense item is payroll.

Raul: Yes. And I agree, Mike. And for that for that reason, I really feel I think every single one of us, we need to reach out to our elected officials, you know, and send them emails, give them feedback on what we're going through because the assistance is out there; they're just making it very difficult for you to tap into it. So, for me, if across the nation, banks have already approved and the SBA, more than half or half, that

means that there's been some banks and some people working within the SBA that have been able to overcome these hurdles. But at least here locally, my experience is I mean, I'm getting feedback...Well, it's because the SBA has placed all these responsibilities, so we've got to make sure that all these things are taken care of. The problem with that is, I can understand, but if you already have a relationship with a client and you already know, how they're structured, you've got to find a way to overcome these hurdles so that the money can get to the people that qualify. I don't know the statistics of the people who have committed fraud, but I don't believe it's a significant percentage from the overall that are getting it and I think that's what we need to take into consideration. But if we don't voice their opinions, they're not going to know, because it takes a while for them to respond. Let me give you some examples. I've actually had people that's been rejected because around rounding. I've got one particular person that met the requirement of 25%, but when the banker did the computation, that banker or computer, 24.7 something percent and they rejected the application.

Catalina: And he's not my banker anymore!

Raul: Well, I mean, that particular gentleman had to, which you do have a right, but you go with another bank and hopefully that bank will give you a better response. And like in this example, that's exactly what has happened.

Catalina: Yeah, but all the time! That's time lost and deadlines are not moving.

Raul: Well, payroll doesn't wait. I mean, whether it rains, whether it shines, whether there's interpretations. You've got to pay every pay period. And that's why, to me, go to the document, the law that was enacted by Congress and look at the intent. But then unfortunately, it gets lost in the politics of it, the bureaucracy of it. And the result is what you said. The money doesn't get there. And I mean, I don't know how they're going to react if you get to March 31st and it hasn't been processed. I mean, technically, even if there is money, there come March the 31st, that's it. That's the cutoff.

JMD: Now, let me kind of shift gears a little bit and kind of do a plus one on the discussion. What if you're one of the lucky or unlucky people, however you want to put it, that didn't have that decrease in revenues of twenty five percent or more? What have you had, let's say, a 10 or 15 percent difference in your revenues so you don't

qualify for the PPP? Is there any other relief for those people? Are there any other programs out there to help people who maybe didn't take such a big hit, but they still have to pay employees?

Raul: Unfortunately, right now, the two most attractive programs is a PPP that we just discussed and the employee retention credit, but they're both based on having a decrease in gross revenues. So, in this particular case, for the PPP, you know, the benefit would come in the first quarter of 2021, but you would have to compare the decrease in any quarter of 2020 to 2019. The employee retention credit works very similarly. You can take a credit in 2021 which is 70%, up to \$10,000 per employee. So, let's say, if you have one employee and you meant the decrease in gross revenues of first quarter, 2021 versus 2020 of 20%, then you can get a credit of 70%, up to \$10,000 per employee per quarter. So, in my example, if you have one employee that you pay \$10,000 per quarter, then the government would refund you 70% of the \$10,000, which is \$7,000. But in order to qualify for that, you have to have had that decrease in gross revenues. If you did not, then these two main programs that are out there, you don't qualify for them. There's a little exception to the rule on the employee retention credit, but you have to have been in a place, a city, or state that was mandated for you to be shut down. So, let's say, like, our governor who recently came out saying we can open up and no masks, etc.; well, that doesn't help to qualify for this.

Catalina: So, we're still wearing masks here and I think that he did give language where it can still be a businessperson's decision. We are requiring people to wear masks here because, here my wonderful, handsome husband, is too young yet to receive the vaccine and to healthy and I'm far behind him.

JMD: So are far behind. Yes.

Catalina: Well, God willing, we'll get that soon. But it's always better safe than sorry for sure.

Raul: Yes. Yes. For that for that credit, Cat, though, you have to have a government order. It can be federal, state or local. If we don't have that, then you don't qualify. So, let's say you have somebody who doesn't meet the 20% decrease, but you do have one of these government orders and let's say, in effect, it affected you for two payroll period, then you would qualify for that credit for those two payroll periods. Going back to what you said, let's have a politician that says, let's say here our governor, I'm going to remove these orders, and everybody can operate as normal as before. No mask and no limitations. Then if you don't

meet the 20%, you don't have the other mandate, so you cannot get the credit because of that. Politics will influence the application of this law and in this particular case.



A big thank you to friend and top CPA, Raul Garza, Owner of Garza Accounting Professionals for his insight and expertise on the PPP Loan and its impact on small business owners. You can find out more about Garza Accounting Professionals by calling his office at 956-727-4122. To see this episode and more on The Solution Point show, scan this QR code or visit us on YouTube and look for The Solution Point.





Hello Friends,

I've got a topic I wanted to talk to you all about. This is something that's not a new issue, but it's something that started coming in more frequently to our office. So, there's a thing called Medicaid Recovery Program. This program is designed so that if your family member received Medicaid benefits, then upon their passing, those benefits can be recuperated by the state based on their homestead. So, the state would be able to recover their funds expended for nursing home care and a couple of other things to get their money back based on the sale of that house. In essence, they would have a lien on that property. One of the things that we can do to address that ahead of time is what is called a Lady Bird Deed. That's an interesting nickname. It has nothing to do with the former president's wife. It's just the name that they came up with and that's what we call it. What it's really called is a Revocable Life Estate Deed. So, how that

works is, the person who owns the property will transfer it in this revocable life estate deed and will transfer it to whoever their family is that they want to receive that house. Then, in that deed, they will retain a life estate. A life estate is the right to the full use and enjoyment of the property while they're alive. They'll also retain a power to sell. So that way, when they pass, full title will be in the name of the person that they've transferred it to. Meanwhile, while they're alive, they retain all the rights and powers. Now, one of the little caveats in the Medicaid Recovery Program and to qualify for those benefits is if you gift or sell or transfer property, you can be disqualified until you've spent down that amount of money on your own care. You could get disqualified by this transfer except for the fact that it's revocable; so it's good to know that you can always revoke it letting you have full control of the property. This can be a good option to transfer property. This is one option I discuss with my clients if perhaps they

have a parent who maybe doesn't have a lot of assets and could be living their later years of life and they need to just go ahead and make sure that their loved ones receive their assets in the most efficient way. If you're if you're interested in learning more about this, I'll be happy to visit with you. You can reach out to our office and we can set up a time to discuss the lady bird deed option see if it's something that might work for your estate plan or for one of your loved ones as far as part of their planning. All right until next time.

If you would like to visit with us in person by appointment or by Zoom, contact us today by calling (956) 791-5422.

*Best Regards,
Joseph Michael Dickerson*



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INSIDE THIS MONTH'S ISSUE:

AVOID THE NUMBER ONE ESTATE PLANNING MISTAKE
PAGE 2

OUR TOP 9 OF 25 BEST BUSINESS IDEAS OF 2021
PAGE 4

THOUGHT CONTROL
PAGE 6

BECOME A MILLIONAIRE IN 15 YEARS WITH \$10,000
PAGE 8

*BREAKING DOWN PPP HURDLES: THE SECOND ROUND
WITH THE SOLUTION POINT GUEST, CPA RAUL GARZA*
PAGE 12

