

Salutations! As we find ourselves getting deeper into autumn and moving closer to the holiday season, I'd like to start this letter with a question: What do a Thumb and a Razor have to do with Estate Planning?

As I thought about this month's meeting topic, I began thinking about rules of thumb in general, and specifically about all the rules of thumb that we come across in our professional lives: In the financial planning and retirement world, many rely on the "4% rule" to determine the amount that clients can "safely" withdraw annually from their portfolios. In the investment world, a common rule for determining the appropriate amount of equity exposure is to use "100 - client's age". In the tax world, my CPA friends tell me there are rules of thumb for estimating "safe harbor" payments for tax payments based on prior year tax liability. In the insurance world, many life insurance calculators produce a "need" for Life insurance based on a multiple of salary.

These rules of thumb are all examples of heuristic arguments – that is, a method or principle that has been shown by experimental investigation – mainly trial and error - to be a useful aid in learning, discovery and problem solving. One of the more widely used examples of a heuristic argument is Occam's Razor, which states that "...among competing hypothesis, the one with the fewest assumptions should be selected. While other more complicated solutions may ultimately prove correct, in the absence of certainty, the fewer assumptions that are made, the better".

The challenge in using Rules of Thumb is that while they may offer reasonable guidance or general advice, they are based on a number of key (sometimes critically key) assumptions. And the problem with razors is that they can be dangerous if mishandled. As such, in situations when one or more of those key assumptions differ from the "norm", taking action based on a rule of thumb can produce a materially adverse outcome. I believe that one of the important roles for us as professionals is to be thorough in our due diligence, and to test the key assumptions that we use in formulating advice for clients.

Our November speaker is Mark Bostick, a bankruptcy attorney with Wendel Rosen Black and Dean in Oakland. Mark has served as lead counsel to the estate fiduciary in many cases over the years, and has expertise in all forms of insolvency proceedings and out of court workouts. I first met Mark about a year ago, and found him to be exceptionally articulate and very passionate about his work. Because there is a natural tension between Mark's work in bankruptcy versus some of the rules of thumb in estate planning, I anticipate that the November meeting will be spirited, controversial, and useful in helping us test and challenge the status quo. I look forward to seeing you all there.

- Geoff

**Geoffrey M. Zimmerman, CFP®**  
**President, EPCDV 2014-2015**

## "How To Avoid Needlessly Exposing Your Client's Assets To Creditors In an Estate Plan"

Mark's presentation, "How To Avoid Needlessly Exposing Your Client's Assets To Creditors In an Estate Plan" should be very interesting, informative and maybe even a little controversial. Mark will share his unique perspective as a bankruptcy attorney and his thoughts on how best to protect our clients from creditors when crafting their estate plan. Is the conventional wisdom of fully funding a living trust always the right choice, or are there alternative solutions that should be considered?

### About the Speaker

Mark Bostick has specialized in bankruptcy law for over 30 years and is a partner of Wendel, Rosen, Black & Dean, a 60-attorney firm based in Oakland. He represents debtors, trustees, secured and unsecured creditors, creditor committees, debtors-in-possession, landlords, buyers, guarantors and other interested parties in all forms of insolvency proceedings and out-of-court workouts.

Prior to entering private practice in 1983, Mark clerked for the Honorable Robert L. Hughes, Bankruptcy Judge (Oakland) and former Chief Judge for the Ninth Circuit Bankruptcy Appellate Panel.

Mark is a contributing author of the following treatises published by the California Continuing Education of the Bar: *Mortgages, Deeds of Trust and Foreclosure Litigation* and *Real Estate Bankruptcies: Law and Litigation*. He is a member of the American Bankruptcy Institute.

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## Dinner Menu

### Salad

Baby spinach, dried cranberry, shaved onions, feta cheese, herb vinaigrette

### Entrée

Roasted turkey breast, country gravy, Yukon potato puree, glazed carrots

### Vegetarian

Butternut Squash Ravioli

### Dessert

Pumpkin Tart with Whipped Cream

**November 19th, 2014**

**Lafayette Park Hotel 3287 Mt. Diablo Blvd. Lafayette, CA**

6:00 P.M. Wine and Registration

6:30 P.M. Dinner and Speaker

**Member Cost: \$50.00 dinner (preregister) / \$55.00 (at the door)**

**Guest Cost: \$55.00 dinner (preregister) / \$60.00 (at the door)**

*Reservations and cancellations must be received by Monday,*

*November 17 at 2:00 p.m. to be assured of a reservation.*

Please send your check today! **or Pay with a credit card online**

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