FINANCIAL SERVICES

A Sponsored Feature of the Orange County Business Journal • July 24, 2017

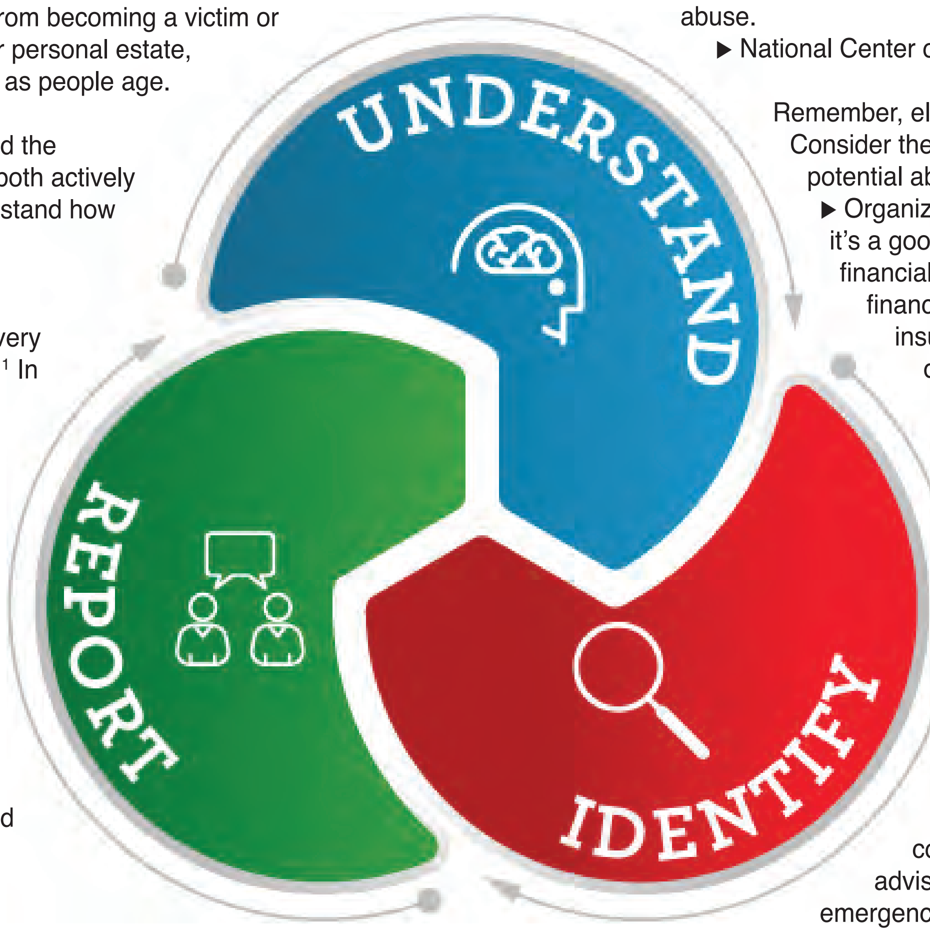
WELLS FARGO ADVISORS

Elder Financial Abuse: The Silent Crime

by Debbie McMaster, First Vice President, Investments, Wells Fargo Advisors

Elder financial abuse has the potential to impact all of us on some level. Whether you are protecting a loved one from becoming a victim or actively taking precautions to protect your personal estate, fraud and exploitation is a risk that grows as people age.

It is important for individuals to understand the magnitude of this crime, identify ways to both actively prevent and stop abuse, as well as understand how to escalate if it is suspected.



Understand
Seniors lose an estimated $36.5 billion every year to the crime of elder financial abuse.[1] In fact, according to the 2010 Investor Protection Trust (IPT) Elder Fraud Survey, more than 7 million older Americans — one out of every five over the age of 65 — have fallen victim to a financial swindle.[2] As Baby Boomers turn 65 at a rate of 10,000 a day, the threat of potential abuse heightens.

It is imperative we take preventative measures to confront this epidemic, including educating ourselves on the potential warning signs and using the resources and tools available to stop fraud and abuse from occurring.

Identify
Spotting exploitation can be difficult as the perpetrators of these crimes tend to be close friends or relatives. Studies project that approximately 70 percent of elder financial abuse is committed by family members, friends, trusted persons or others known to the individual being exploited.[3] This increasingly blurred line of those who have one's best interest at heart and those who don't makes spotting these scams a challenge.

Here are a few warning signs:
- ▶ Sudden reluctance to discuss financial matters
- ▶ Sudden, atypical or unexplained withdrawals or wire transfers from their accounts, or other changes in their financial situations
- ▶ New best friends and "sweethearts"
- ▶ Behavioral changes, such as fear or submissiveness, social isolation, withdrawn behavior, disheveled appearance, and forgetfulness
- ▶ Changes in the will, especially when they might not fully understand the implications
- ▶ Large, frequent "gifts" to a caregiver
- ▶ Missing personal belongings

Report
Reporting is the most important step to escalating suspected elder financial abuse. Studies show that as few as one in 44 cases of elder financial abuse are reported.[4] Victims tend to keep details secret for a number of reasons – fear of being victimized again, reluctance to incriminate a family member or friend, or admitting vulnerability are among them.

Use the below resource to properly report suspected elder financial abuse.
- ▶ National Center on Elder Abuse *ncea.acl.gov*

Remember, elder financial exploitation is not exclusive. Consider the below to help protect yourself from potential abuse:
- ▶ Organize your estate. No matter how old you are, it's a good idea to update and organize all your financial documentation, including your will, financial powers of attorney, real estate deeds, insurance policies, pension and trust documents, birth and marriage certificates, and Social Security paperwork. Maintaining an organized file, and helping others (such as a parent, uncle or close friend) do the same, can make it easier to spot the inconsistencies and red flags that could signal financial abuse.
- ▶ Make a list of financial contacts. Bankers, insurance agents, attorneys, accountants, stockbrokers, and other professionals should be on it. Share your list with your Financial Advisor and with family members you trust. In addition, ensure you have a trusted contact on file. This is an individual who the advisor could contact in the event of an emergency or suspected abuse.

[1] True Link Financial. "True Link Report on Elder Financial Abuse." 2015
[2] Investor Protection Trust (IPT). "IPT Elder Fraud Survey." 2010
[3] Jewish Council for the Aging, National Center for Elder Abuse. Paley Rothman article "Who Commits Elder Financial Abuse and Why Isn't It Reported?" 2016.
[4] National Adult Protective Services Association. "Policy and Advocacy." www.napsa-now.org. 2017.

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About Wells Fargo Advisors
With $1.6 trillion in client assets as of March 31, 2017, Wells Fargo Advisors provides investment advice and guidance to clients through 14,657 full-service financial advisors and 4,093 licensed bankers. This vast network of advisors, one of the nation's largest, serves investors through locations in all 50 states and the District of Columbia. Wells Fargo Advisors is the trade name used by Wells Fargo Clearing Services LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company. All data includes Wells Fargo Clearing Services, LLC, (including its predecessor firms) and Wells Fargo Advisors Financial Network, LLC, as of March 31, 2017.www.wellsfargoadvisors.com

WELLS FARGO

Finding the best credit option for your business

About one in three business owners use their own funds or personal credit for their business, according to a recent Wells Fargo/Gallup Small Business Index survey. Yet as a business seeks to grow, obtaining business credit is essential and can help finance purchases, build a credit history, supplement cash flow, and preserve savings.

About one in three business owners use their own funds or personal credit for their business.

So how do you choose the best credit option for your business? The type of business credit you need depends on your business goals and how much funding you need. Following are several common credit needs, and options available to address each one:

Need a way to pay for everyday business expenses? When looking for a convenient way to pay for everyday business expenses and a smart alternative to cash, checks, and personal credit cards, business credit cards can be a good option. With a business credit card, you can separate your business from personal expenses and immediately pay for day to day business expenses.

Need to make large seasonal purchases or cover payroll? Nearly every small business will face a time when it needs more cash than it has on hand. A business line of credit can provide fast, easy access to cash (which can bridge gaps in cash flow) and help supplement cash flow for business expansion, taxes, insurance, or other expenses.

Want to expand your business or make a large equipment or vehicle purchase? For a specific business need, business term or equipment loans should be considered. Loans give businesses immediate access to funds and are ideal for business owners who want a flexible way to get a lump sum at a fixed or variable interest rate for a fixed period of time. There are many types of loans, including unsecured loans, secured equipment loans, real estate loans, and vehicle loans, and rates and terms vary.

When evaluating lending options, you should also consider an SBA loan. Through government-guaranteed SBA loans, financial institutions are able to extend financing to a segment of creditworthy small business owners who may not be able to obtain a conventional loan or loan terms that meet their business needs.

Business owners who are looking to buy real estate, acquire a new business, or purchase equipment may find that an SBA loan offers more flexible terms than a conventional loan. SBA products include the SBA Express line of credit, and SBA 7(a) and SBA 504 loans.

As business owners consider their credit options, they should consult with a banker to help determine the best option to meet the specific needs of their business.

America's #1 Small Business Lender and #1 SBA Lender*

To find out more about how to manage and apply for credit, visit WellsFargoWorks.com, or talk to a banker today.

* Wells Fargo is America's #1 lender (Community Reinvestment Act government data, 2002 - 2014).
* Wells Fargo is America's #1 SBA 7(a) lender by both units and dollars (U.S. Small Business Administration data, federal fiscal year 2015).

All credit decisions subject to credit approval. For SBA loan products, SBA eligibility is also required.

Together we'll go far

APPLIED FINANCIAL PLANNING

4 Tests: Do You Qualify for a "Tax-Free" Growth Account?

by Sean Walker, Principal, Applied Financial Planning and "The Money Guys" Radio Host

With continued talk about tax changes coming from Washington, D.C., deciding where to invest your hard-earned assets in today's market can be a challenge for even the savviest investor.

In an ideal world, which of these investment vehicles most appeals to you?
- ▶ a taxable account (for liquidity)
- ▶ a tax-deferred account (for retirement income)
- ▶ a tax-free growth account (for use toward personal or business goals)

Most investors would choose "tax-free," however qualifying for these investments is a challenge. The IRS imposes significant restrictions on who can participate in tax-free growth accounts.

A ROTH IRA, for example, is an excellent vehicle for investing post-tax dollars into a tax-free account. However, if you make more than $133,000 (filing single in 2017), you can't contribute to a ROTH. And even if you are eligible, the IRS limits the annual investment to $6,500 for those age 50 and over.

If you find these Federally imposed thresholds a bit too confining, you're not alone. At Applied Financial Planning, we have introduced "tax free" investment strategies into many of our clients' portfolios. Here are 4 basic tests to determine if this strategy has a place in your plan:

1. You Have Excess Income or Liquid Assets. You have extra income that you are investing on a consistent basis or you have lump sum assets that you would like to invest in the future.

2. You Have Financial Endurance. You have patience and an eye toward long-term financial goals. You can sustain annual, predictable contributions to a tax-free strategy for 7 to 10 years or more.

3. You Want to Protect Your Family or Business. You have a desire to plan for unforeseen life events, such as death or divorce, or to fortify your business against vulnerabilities, such as unfounded claims or lawsuits.

4. You Want to Keep What's Yours. Minimizing tax liability is a priority. You and your family want to hold on to your assets rather than subsidizing hot-topic, narrow causes championed by those in Sacramento and Washington, D.C.

How does it work? The Money Guys have simplified this approach. It requires an advisor-client relationship that prioritizes positive long-term performance potential ahead of quarterly reporting goals. This liberating perspective allows you — the client — to focus on the quality of your investment strategies rather than fret about post-retirement tax status.

These "tax free" strategies typically appeal to mid-career executives in a high tax bracket who have run out of room to invest in a tax-deferred 401(k). Oftentimes, they lean too heavily on their company's success rather than developing an independent pool of resources.

Consider this investor's experience. Over the course of 17 years, he gradually invested about $200,000 (after taxes) in an account that today has grown to a market value of more than $800,000. He plans to use this investment to generate tax-free income for years to come. Moreover, he can use that money as he wishes – to start a business, buy a house, retire, send his children or grandchildren to college or leave a legacy.

If you find this tax advantaged investment compelling, call The Money Guys at Applied Financial Planning today. We can help you explore whether this solution will work for you and your family.

Sean Walker
Sean Walker is a Principal with Applied Financial Planning and registered financial advisor through LPL Financial. He received a bachelor's degree in Economics with an emphasis in Finance from The Wharton School at the University of Pennsylvania and holds an MBA from UCLA Anderson School of Management. He can be reached at Sean.Walker@LPL.com or (800) 452-5264.

The examples noted within were hypothetical and are not representative of any specific investment. Your results may vary. This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest you discuss your specific situation with a qualified tax or legal advisor. The Roth IRA offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change. No strategy assures a profit or protects against loss.

melissa
GLOBAL INTELLIGENCE

Data Is the New Oil, But Only if It's Clean

Some say data is the new oil, not just fuelling how organizations work, but lubricating the wheels of commerce and communication – it's a valuable commodity.

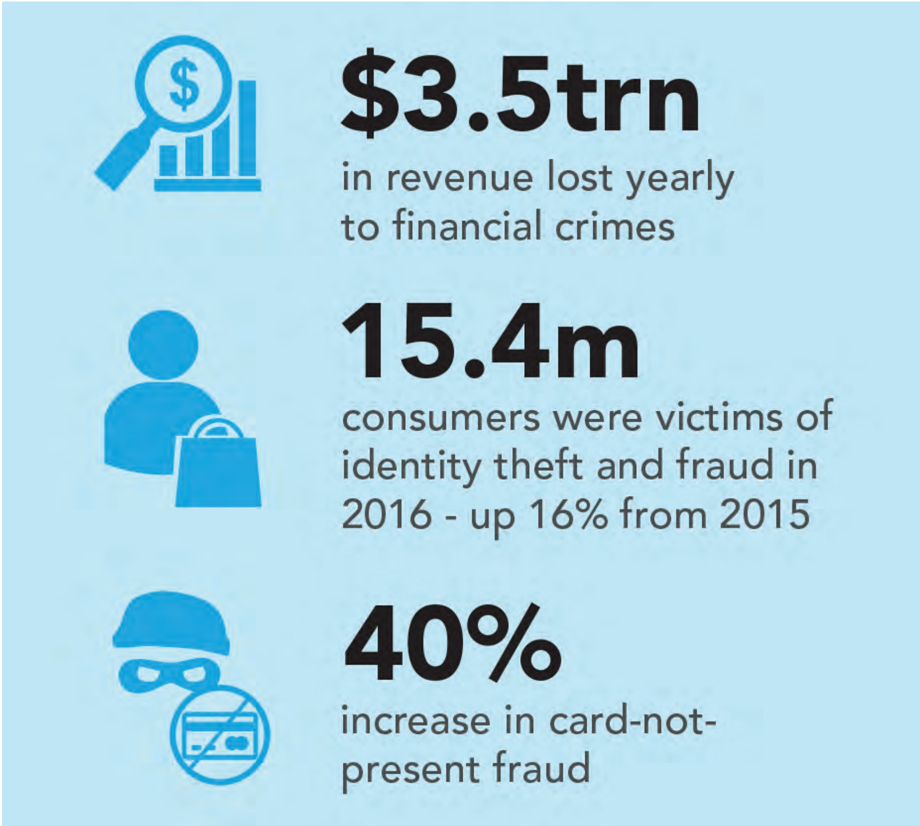
Chief information officers regale how they're going to harness data, wrangle it, apply machine-learning, and make a difference to their bottom line.

"Yet most organizations are plagued with inaccurate data and poor contact details," says Bud Walker, VP sales and strategy at Melissa Global Intelligence, a company with more than 30 years' experience and over 10,000 customers worldwide relying on its data quality solutions, including banking and financial services providers like Bank of America, Citi, US Bank, Discover, and SunTrust.

"There's a lot of hype around Big Data. Yet the quality of any set of information is crucial. With clean, verified data you can make informed decisions; with poor data that's not verified you make ill-advised ones," Walker explains.

Expectations relating to data quality have risen dramatically since the financial crisis. Static, raw data is no longer viable. Corporations must be able to clean, aggregate and perform advanced analysis on dynamic data. This creates actionable intelligence that informs boardroom decisions. This only comes from trusted data assets.

"Regulatory reporting and risk analytics are now imperative in this economic climate. There is a much greater duty of care. Having more timely and accurate data is essential for making risk and return trade-off decisions. It's about maximizing corporate resilience, shareholder returns, and accountability," states Walker.



In the U.S., identity theft reached a fever pitch, with $16 billion stolen from 15.4 million customers in 2016, according to a recent study by advisory firm Javelin Strategy & Research.

"It is increasingly vital for all organizations to be able to properly verify and format as many data points as possible, whether it's personal ID, postal addresses, emails or mobile phone numbers. Fraudulent, duplicate, and incorrect contact data is an expensive loss," Walker explains.

Melissa Global Intelligence has been a pioneer in data quality management since 1985. This has enabled the company to build technologies that address the data challenges and to establish trusted data sources in the process, scaled up across the world, creating a gold standard in global ID verification.

"We are the identity piece in the data puzzle. We can check your individual data to see if you're real. We can verify an individual's name, address, phone, email, date of birth, and national ID against trusted multisourced reference data. There are few firms that have the global footprint that Melissa has," says Walker.

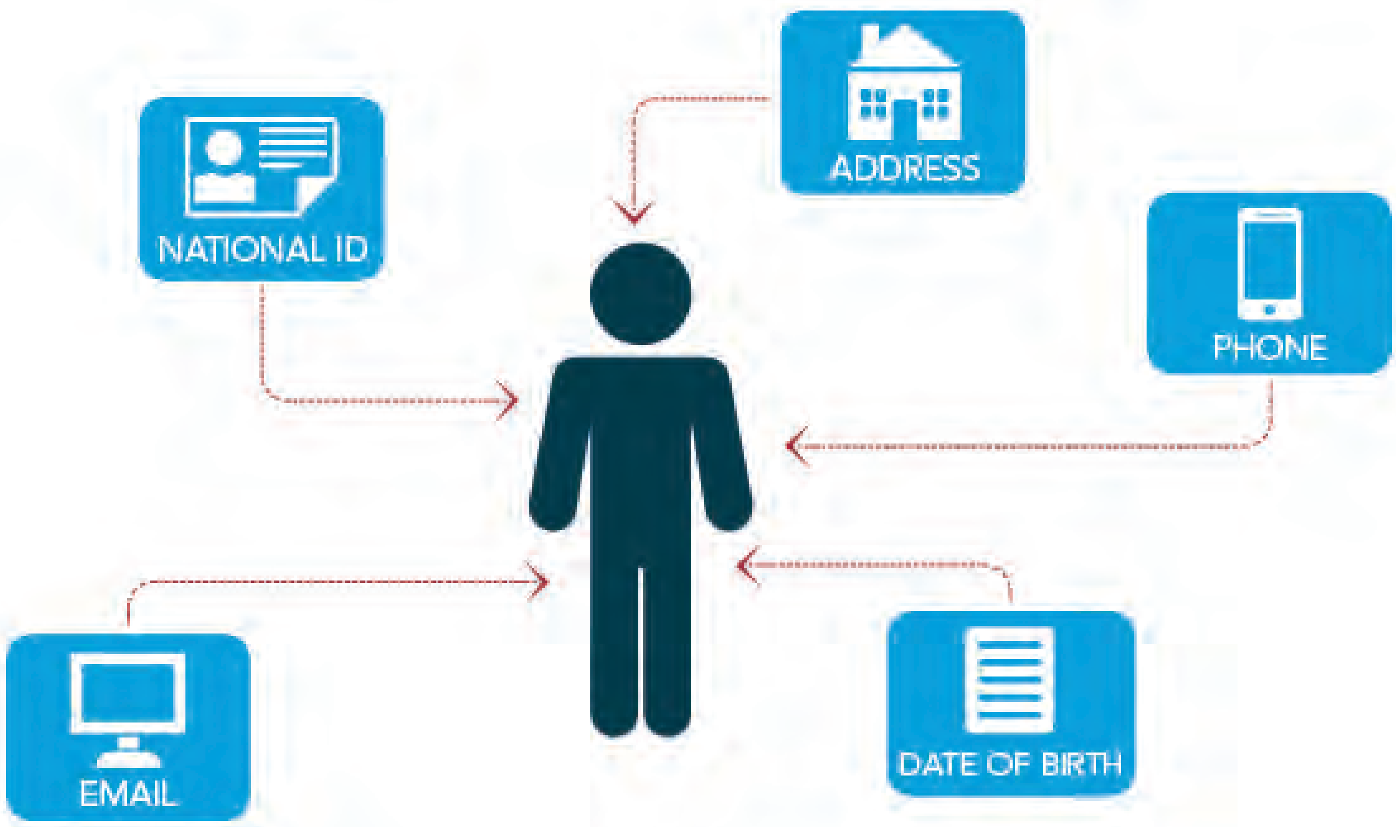
"The issue is that CIOs think that data verification involves huge costs. The fact is it doesn't. Then again, can companies afford not to do it? The amount of time and effort that's wasted with wrong mailings and marketing is vast. Clean, accurate data translates to the bottom line. If you have reliable data, you own the customer; if you own the customer, you own the future."

Many CIOs do understand the need to have clean, less vulnerable data, but they struggle to implement a solution. Other organizations don't have the skill sets to implement it. Also, no one likes to admit they have data quality issues.

The number of U.S. data breaches hit an all-time high of 1,093 in 2016 – a 40 percent hike over the previous year, according to the Identity Theft Resource Center and CyberScout. These data breaches have placed greater scrutiny over the need for more data security initiatives in the future.

"It's not going to be a matter of choice. It will be law. We're reaching the tipping point. The fact is data is too vulnerable. Few people run into a bank now and steal by the back door. Instead, they sit at home in their basement and use identity fraud," Walker warns.

For more information, please go to: www.Melissa.com.



WCGH WINTHROP COUCHOT GOLUBOW HOLLANDER
CORPORATE RESTRUCTURING AND BANKRUPTCY

Strategic Alternatives for Financially Troubled or Distressed Companies

by Richard H. Golubow, Founder and Managing Partner, Winthrop Couchot Golubow Hollander, LLP

Business owners often assume that bankruptcy is the only option for reorganization or orderly liquidation of a distressed company. There are many advantages to a bankruptcy: the process is orderly and reasonably predictable; the bankruptcy court has broad powers; and all creditors are forced to participate and are bound by orders of a bankruptcy court. However, there are several disadvantages to a bankruptcy: bankruptcy tends to be expensive; often prohibitively so in smaller, less complex cases; and can drag on for a long time.

There are several viable alternatives to bankruptcy that, depending on the situation, may reduce if not eliminate some of the disadvantages of bankruptcy while realizing many of the benefits. It is not that the desired results cannot be achieved through a bankruptcy, but rather the recognition that each business has its own circumstances and diverse set of tangible and intangible interests to protect that may make non-bankruptcy alternatives more appropriate for a particular situation. For example, other options such as the use of out-of-court workouts and agreements, assignments for the benefit of creditors and state or federal court receiverships are alternatives that should be considered.

Out-of-court workouts and agreements, often in the form of compositions, extensions and standstill agreements, can be made without incurring the time and expense of a courtroom proceeding. Such agreements usually are between the debtor and its creditors whereby the creditors agree to revise payment terms or discharge a portion of their claims against the debtor in exchange for payment of a lesser amount than what is actually owed.

A general assignment for the benefit of creditors is an out-of-court procedure used to liquidate a debtor's property for the sole purpose of repaying creditor claims. Under a general assignment, the debtor voluntarily transfers title of all assets to an assignee, which is an independent third party fiduciary, to liquidate and distribute the proceeds thereof to the debtor's creditors. A general assignment can be an excellent vehicle for transferring all assets of a troubled company to a new owner so that the business can be continued as a going-concern.

In a receivership, a court appoints an independent third party fiduciary to take possession of the property of a debtor and to operate the property to the extent deemed necessary until such time as the property has been liquidated. In this respect, the court acts as a referee in the proceedings.

This article is intended to highlight some, but not all the alternatives to bankruptcy. Other options exist as well, including the use of bulk sales of assets, deeds in lieu of foreclosure, exchange offers, mediation and arbitration. Businesses experiencing financial distress should always consider bankruptcy and non-bankruptcy alternatives, which may provide considerable flexibility not available in bankruptcy, and a substantially less adversarial environment. These non-bankruptcy alternatives, if appropriate, will likely translate into less time, improved commercially-driven solutions, and reduced fees and costs.

Richard H. Golubow

Richard H. Golubow, a founder and managing partner of Winthrop Couchot Golubow Hollander, LLP, is an attorney who devotes his practice to representing primarily corporate debtors in out-of-court workouts and Chapter 11 reorganizations. Mr. Golubow has been honored as the recipient of bankruptcy or restructuring attorney of the year awards by several leading international financial organizations and publications. For more information including discussing advantages and disadvantages to bankruptcy and non-bankruptcy alternatives, contact Mr. Golubow at 949.720.4135 or rgolubow@wcghlaw.com.