



*The Award Winning*

## ***Malibu Rotary Club Surfwriter***

**October 5-9, 2016**

**Official Newsletter of the Rotary Club of Malibu**

**Malibu Rotary Club President of Record Bill Wishard**

**Malibu Rotary Club President of the Month (October) John W Elman**

**Malibu Rotary Club President Elect Bianca Torrence**

**Edited by Dr. John W. Elman**

**Pictures by Dr. John W. Elman and Livia Giordano**

**In This Issue (click underlined topics for web link when connected to the Internet)**

- **Last week Dan Maughan tells how Deferred Sales Trust can defer capital gains tax on real estate and personal business transfer sales**
- **Next week: October 11 Rotary District Breakfast at LAX Westin hotel 5400 W Century Blvd at 7:00 featuring Los Angeles Preparation for the 2024 Olympics**
- **Next Week: October 12 Next Regular Malibu Rotary Club Meeting will be at Pepperdine Graduate Campus Room LC 159 with fellowship at 11:30 a.m. followed immediately by meeting at Noon sharp. This will be a club assembly led by John Elman preparing for Malibu City Candidates Forum on Oct 19**
- **Peri Pierre to Haiti**
- **Livia recovering after recovering from surgery in Switzerland Other news and guests from last Malibu Rotary Club meeting**
- **Malibu Times Error Causes Facebook Stir for Malibu Rotary Club**

Check [Calendar](#) on Malibu Rotary website [www.maliburotary.org](http://www.maliburotary.org)

- Rotary International Website: [www.Rotary.org](http://www.Rotary.org)
- Rotary District 5280 Website: [www.rotary5280.org/](http://www.rotary5280.org/)
- RI President (2016-2017) John F. Germ
- Rotary District 5280 Governor (2016-2017) Greg O'Brien

**Dan Maughan tells how Deferred Sales Trust can reduce and defer capital gains tax on real estate and personal business transfer sales**



**Dan Maughan is an investment executive with Financial West Group in Los Angeles who specializes in estate planning and asset management.**

After graduating in 1992 from University of California, Riverside with a degree in Business and Finance Dan worked with Wedbush Morgan Securities, Merrill Lynch and Solomon Smith Barney. Since 2010 he has been with Financial West Group.

At the October 5 Malibu Rotary Club meeting Dan talked about how one can defer or reduce taxes on real estate transactions and sales of businesses that that have assets such goodwill.

Dan tells us that in the past someone selling real estate have had three options: 1)do a 1031 exchange, 2)pay taxes or 3)do nothing.

Dan is a part of a team of CPAs, tax attorneys and financial planner that have considered ways in which the seller of property can reduce, eliminate or defer paying taxes on real estate transactions without a 1031 exchange.

They work in 3s:

3 areas of focus: High and Residential, Commercial and Businesses.

3 Parties: Seller, Buyer and Trust

3 Steps (outlined below):

SELLER-----→DEFERRED SALES TRUST-----→BUYER

Generally in a real estate transaction once the buyer and seller agree on a price the money goes into an escrow account and at the close of escrow the buyer gets the real estate property and the seller gets the money, less any transaction fees. The seller pays capital gains on the money received.

In a Deferred Sales Trust the three steps are as follows:

Step 1:

Buyer and seller agree to terms and conditions. Escrow is opened...a Deferred Sales Trust is created to receive the property and proceeds.

Step 2:

In escrow, the property is transferred to the Deferred Sales Trust. The Seller is the lien holder on the trust. The seller must approve any transactions.

Step 3:

At the close of escrow, the property is sold the buyer by the Trust. The buyer, through escrow, pays the Trust, not the seller.

The idea of the Deferred Sales Trust started with farmers in the Midwest, and was the idea of attorney Todd Campbell. It can be used as for people selling a primary residence or a business. Generally the Trust is written to expire in 10 years but can be renewed, or the money can later be put into a 1031 exchange. It has become especially popular for people downsizing—people who are equity rich and cash poor. Many people in areas such as Malibu bought their property decades ago for a fraction of the current value. They may want to sell their large home and move into a smaller residence of less value, enjoy the equity from the sale of their valuable property, but don't want to pay the capital gains taxes on the sale. The Deferred Sales Trust may be the answer for these people.

The Trust has its own tax ID. The funds in the Trust are not taxed. The Trust can neither borrow nor lend money, but can invest money various equities, which can and hopefully will increase the value of trust when the trust is term ends. The money withdrawn trust when it terminates is taxed, to in that way it is like an IRA.

You can reach Dad at Financial West Group, 11755 Wilshire Blvd., Sute 1650, Los Angeles, CA 90025. Phone 800-991-7991 or e-mail [dmaughan@fwg.com](mailto:dmaughan@fwg.com)

### **Peri Pierre to Les Cayes, Haiti**

Peri Pierre is a student working towards a Master of Fine Arts (MFA) in Cinematic Media Production at Pepperdine University who attended several Malibu Rotary Club meetings this year and helped the club at the recent Malibu Chili Cookoff. He was a member of the Rotaract Club at the UN, and is the son of Rotarian in Haiti. On Friday, Oct 7 he sent John Elman an e-mail explaining why he hadn't been at recent Rotary meetings and what he is doing this week:

“Last Monday, the town that I grew up in "Les Cayes" was badly affected by the Hurricane. Myself along with Reach Out World Wide Foundation are going there Sunday to help out. We won't be back until next weekend.”

CNN Reports Hurricane Matthew has left behind widespread destruction across Haiti and killed hundreds in its path, at least 336 people, and officials fear the death toll could increase as aid workers reach the worst-hit areas. Wondering if there was something that Rotary could do to help in Haiti John forwarded Peri's e-mail to Rotary District Governor Greg O'Brien, who in turn forwarded it to district disaster relief chair Guity Javid. We will report any future developments in this story.

## **Livia recovering after recovering from surgery in Switzerland**

Our friend [Livia Giordano](#), a past Rotary Ambassadorial Scholar from Switzerland (who earned a degree at the Strauss School of Dispute Resolution at Pepperdine University) had a few good days sandwiched between some bad ones on her recent visit to the US from Zurich, Switzerland this past week.

Last issue we reported what happened the previous week on her visit to Malibu and Boston.

She arrived in Malibu on Sunday, rented a car, and on Monday someone smashed into the car she was driving while she was stopped at a signal at Kanan and PCH in Malibu. She was not injured. With a smile on her face she visited her Malibu friends [Maggie Frey Luckerath](#), [Margo Neal](#), and [John W Elman](#) and [Lee Ann Stevens Elman](#), and attended the Malibu Rotary Club meeting Wednesday, helped Lee Ann celebrate her birthday Friday treating Lee Ann to birthday at Carbon Club at the Malibu Beach Inn before flying that afternoon to Boston where she hoped to see the beautiful colors of the New England autumn. She arrived at a Boston hotel near the Logan Airport at 1:00 a.m., but when she was leaving the hotel on Saturday morning she tripped carrying her heavy luggage down hotel steps breaking one leg and spraining the ankle on the other leg. She ended up in a hospital in South Boston where they took X-Rays and determined she needed surgery. She elected to fly back to Zurich ASAP with pain meds and crutches to have surgery done in Switzerland.



Livia wrote on her facebook page what happened after she landed in Zurich:

On October 3: "Back home after a very long 48 hours of pain, a really bad flight, and a visit to the emergency room right after getting out of the airport. Can't have surgery until Thursday because ankle is too swollen from the flight. But at least I made it back home without another accident... Thank you all for your loving and caring messages, phone calls and comments. That means a lot to me."

**Prior to surgery Livia's three cats tried to comfort her (see picture).**

As she was laying at home reflecting on her experience of the past week and the surgery that was yet to come Livia, who never loses her sense of humor, had these reflections: "You don't fully understand how blessed you were to always be healthy until getting up one flight of stairs becomes a 40 minutes workout..."

"Irony is.... when you get an offer for travel insurance 5 days after you broke your ankle while on vacation and had to pay \$1530 for changing your flight..."

Even though SwissAir charged Livia extra for the early flight departure they wouldn't let her sit in the business first class section, where if anybody could have used extra leg room it certainly was her. And yes, there were seats available in first class.

After surgery on Thursday Oct 6 Livia had to stay in the hospital until Sunday Oct 9. As we write this she had just been released from the hospital, still in a lot of pain, but expecting to make a full recovery with her furry nurses by her side.

## **Malibu Rotary Club Holiday Party**

- Carlye has confirmed December 14 Holiday Party in Wine Room in Tra di Noi Restaurant at Malibu Country Mart at 6:00 p.m. (no noon meeting)—Cost of \$37.00/person includes tax and tip. Menu is salad, entrée choice of Chicken Marsala or Salmone, and Tiramisu for desert. Carlye may throw in a bottle or 2 of her Malibu wine. RSVP to Carlye Rudkin. Space limited to first 20.

## **Guests**

In addition to speaker Investment Executive **Dan Maughan** from Financial West Group, Dan brought with him **Lyndon Grey**, who is also a financial advisor with Financial West Group in Los Angeles.

## **Malibu Times Error Causes Facebook Stir for Malibu Rotary Club**

**By John Elman**

Since I first posted the October 19<sup>th</sup> Malibu Rotary Club Sponsored Malibu City Council Forum on the Malibu Rotary Club facebook page on about September 14 all 6 candidates were listed, and in fact I used text from the City of Malibu website to make sure all 6 candidates were included and their names were spelled correctly. I attended and videotaped the Malibu City Council Forum sponsored by the Malibu Times on September 21. I had added the Malibu Rotary Club event with the same text copy of candidates both on the Malibu Rotary Club website maliburotary.org and the Malibu Rotary Club facebook website. I had worked hard to make sure the rental agreement, liability insurance, and other factors were done correctly so the event could go on as planned October 19.

I was therefore shocked when I turned on my computer on Saturday morning October 8 and saw that a visitor to the Malibu Rotary facebook page, Anson Williams, yes the actor who played “Potsie” Weber on the TV show Happy Days in the 1970’s, posted a rather unflattering message on the Malibu Rotary Club facebook page. My popup message started with “Malibu Rotary Club? I used to respect them until they showed their..” I had to drop what I was originally going to do when I turned on the computer and immediately clicked on the facebook link to see the whole message from Anson Williams:

“Malibu Rotary Club? I used to respect them until they showed their true stripes in regard to their sponsorship of a City Council Candidates Forum on Oct 19th. They placed an ad in the Malibu Times with

all the candidates names running except for Jennifer DiNicola. Oversight, mistake? I think not. What a transparent, purposeful, amateur, political stunt...It's time to check out the self serving connections with Peak/Jefferson/ Mullen and the Rotary Club. Anson Williams”

I was dumbfounded. Before I replied I looked for and found the October 6 issue of the *Malibu Times* and after thumbing through it a couple times saw the display ad that was at the bottom of page 6 which announced the Malibu Rotary Club sponsorship of the City Council Candidates Forum and saw, for the first time, that it listed only 5 of the 6 candidates, excluding, for some reason unknown to me, candidate Jennifer deNicola, . I didn't know how or which she was excluded but I know that all 6 names were on every list that I sent or posted. I immediately posted the following comment under Anson Williams post:

“ Anson, I assure you it was an error by the Malibu Times, not the Malibu Rotary Club. The Malibu Rotary Club, as all Rotary Clubs, is apolitical. We endorse no one and are having this forum so the community can hear and see all 6 candidates. All 6 candidates names were given to the Malibu Times and all 6 candidates, including Jennifer DeNicola, were invited to participate in, and have accepted their invitations to be a part of the Malibu Rotary Club Candidates Forum at 6:30 p.m. on October 19 in the Fireside Room at Pepperdine University. We expect the Malibu Times to apologize for their error.”

I then contacted Allan Mannheim who, as part of my candidates forum committee, had been in contact with Jennifer DeNicola. In fact she was the first candidate to accept our invitation to participate in the forum. I also contacted Margo Neal who was in Montreal, but works as proofreader for Malibu Times, although maybe not this week. We all apologized to Jennifer via e-mail and expect a public apology from Malibu Times in the next issue.

## **October 19<sup>th</sup> Malibu Rotary Club Sponsors Malibu City Council Forum 6:30 p.m. in Fireside Room**

**John Elman** and **Allan Mannheim** have been working on the Malibu Rotary Club sponsored Malibu City Council Form for the last couple weeks:

**October 19<sup>th</sup> Malibu Rotary Club Sponsors Malibu City Council Candidates Forum in Fireside Room of Peppderdine University main campus at 6:30 pm (no noon Malibu Rotary meeting at Pepperdine)--** This is a special forum opened to the public and moderated by **Pete N.. Peterson**, Dean and Sr. Fellow, Peppedine School of Public Policy and will be held at 6:30 p.m Oct 19. 2016 in the Fireside Room of Pepperdine main campus.

The next General Municipal Election will be held, and consolidated with Los Angeles County, on November 8, 2016.



Three Malibu City Council seats will be open and are currently held by Joan House, Skylar Peak, and John Sibert. The following is a complete list of qualified candidates as their names will appear on the ballot:

**Jennifer deNicola**

**Rick Mullen**

**Carl Randall**

**Laureen Sills**

**Skylar Peak**

**Jefferson "Zuma Jay" Wagner**

All the candidates have confirmed acceptance of Malibu Rotary Club's invitation to participate.

John is asking for help from other club members for this event. Jobs include, timekeeper, making place holder signs for candidates, bringing water, room set up (bring Rotary banner), Rotary table info.

### **Rotary District Events**

**October 11 the second Rotary District Breakfast of the year will be held at the Westin LAX at 7:00 a.m.** The breakfast will include an Olympic panel featuring 5-time Olympic medalist Janet Evans, Jeff Millman (Chief Communications Chair for the LA2024 Olympic Committee (see more information in Calendar section below).

**October 22nd is the Rotary Foundation Celebration Dinner aboard the Battleship USS Iowa.** This is a sold out event, but Margo, David Baird, and Bill Wishard have verified tickets. Margo announced that Rotary district World War II veterans will be honored in the event program. Malibu Rotarian Fred Cornett qualifies for this and will be so honored.

**Humanitarian Trip to Merida, Mexico** will take place January 25-30 2017, and will feature Rotarians participating in 7 different humanitarian projects. Margo is going on trip. She said that

the district is asking each Rotary Club in the Los Angeles district to contribute something towards a Rotary project in Merida.

**Rotary District Leadership Skills Courses will take place February 4 and 11th  
Malibu Rotary Club Presidents of the Month (2016-2017)**

**Malibu Rotary Club President of Record (2016-17) Bill Wishard**

**August 2016-----Margo Neal**

**September 2016—David Zielski**

**October 2016-----John Elman**

**November 2016—W. David Baird**

**December 2016—Bill Wishard**

**January 2017-----Robert "Bob" Syvertsen**

**February 2017-----John Elman**

**March 2017-----W. David Baird**

**April 2017-----Margo Neal**

**May 2017-----Robert "Bob" Syvertsen**

**June 2017-----David Zielski**

**CALENDAR (see up to date calendar on [maliburotary.org](http://maliburotary.org))**

- **October 11 the second Rotary District Breakfast of the year will be held at the Westin LAX at 7:00 a.m. The breakfast will include an Olympic panel featuring 5-time Olympic medalist Janet Evans, Jeff Millman (Chief Communications Chair for the LA2024 Olympic Committee. Jeff Millman is the Chief Communications Officer for LA 2024 and oversees the communications and public affairs for the committee. Prior to joining the Bid Committee, Jeff was a senior advisor to Los Angeles Mayor Eric Garcetti. Jeff brings a wealth of media and political communications experience to the Bid Committee, having worked for several local and national political campaigns, including Garcetti for Mayor, Hillary Clinton for President, Barbara Boxer for Senate, and multiple Los Angeles City Council campaigns. Jeff received a BA from the University of Pennsylvania and JD from Southwestern University School of Law.**
- **October 12<sup>th</sup> Club Assembly Preparing for Candidates Forum**
- **October 19<sup>th</sup> Malibu Rotary Club Sponsors Malibu City Council Candidates Forum in Fireside Room of Pepperdine University main campus at 6:30 pm (no noon Malibu Rotary meeting at Pepperdine)-- This is a special forum opened to the public and moderated by Pete N.. Peterson, Dean and Sr.**

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Three Malibu City Council seats will be open and are currently held by Joan House, Skylar Peak, and John Sibert. The following is a complete list of qualified candidates as their names will appear on the ballot:

**Jefferson "Zuma Jay" Wagner**  
**Laureen Sills**  
**Jennifer Blue deNicola**  
**Carl Randall**  
**Skylar Peak**  
**Rick Mullen**

All the candidates have confirmed that they will participate

- **October 22<sup>nd</sup> is the Rotary Foundation Celebration Dinner aboard the Battleship USS Iowa (sold out).**
- **November 9 John Elman and Divid Zielski will talk and show how to use Rotary websites for communication**
- **November 10-13 will be Zone Institute at Fess Parker Resort**
- **November 15 will be USC/UCLA Tailgate Lunch**
- **November 16 Speaker at the Malibu Rotary Club will be Gern Munro. Gern is Director of Amarok Society, a registered Canadian charity that provides education programs to the very poor in Bangladesh, Pakistan and Nigeria.**
- **November 30 Rotary District Assistant Governor Richard Miller has arranged for Special Dinner Meeting of 6 Rotary Clubs (including Malibu RC) in Woodland Hills(no Rotary noon meeting at Pepperdine that day)**
- **December 14 Holiday Party in Wine Room in Tra di Noi Restaurant at Malibu Country Mart at 6:00 p.m. (no noon meeting)—Cost of \$37.00/person includes tax and tip. Menu is salad, entrée choice of Chicken Marsala or Salmone, and Tiramisu for desert. Carlye may throw in a bottle or 2 of her Malibu wine. RSVP to Carlye Rudkin. Space limited to first 20.**

