



The Verdict



Diana M. Mueller

President's Message

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President's Message:
Important Message to the Members of VCPA,

As President, I have a duty to inform VCPA's members that VCPA may dissolve at the end of the next fiscal year (Sept. 30, 2017) unless there is a paradigm shift in the participation of its members. For the past two years, the Committee Chair for the Springtime MCLE has been vacant. The acting Board all worked together to put on the conferences, in addition to serving in their regular Board positions. This year, the Board is losing its Committee Chair for the Wine Tasting Event, as well. Both of these events require a lot of attention and responsibility. The Board will continue to work together for the MCLE Springtime Conference. However, unless we can get additional volunteers to Chair the Wine Tasting Event, we will not have one in 2017.

The Board will continue to provide MCLEs at our General Meetings. The last couple of years, most of the attendance at the General Meetings were Board members with as few as 1-3 others in attendance. If attendance does not improve, the General Meetings will be cancelled. To organize a speaker, secure a venue, get Bar approval for the MCLE, only then to have a couple of members attend is not fair to the speaker or to the hard work of the VP of Programs. As a member of NALA, VCPA is required to offer 10 MCLE credits per year to its members. This is a daunting task in and of itself.

To date, the Nominations/Election Chair has not received any interest from any of VCPA's members to take on a Board position or Committee Chair position. The majority of the current Board members have served on the Board for several years. They are ready to step down and hand leadership over to a new team, but have agreed to continue for another term because it is not their desire to see this organization fold. New volunteers for the coming term will have the benefit of training with an experienced Board, so now is the perfect time to start.

It is imperative that members other than the current Board take up positions that are vacant and help keep VCPA in a good standing. I urge you to contact me personally at vcpa.president36@gmail.com or contact Denise Hansen, this year's Nominations/Election Chair, at denise@baskinlawoffice.com. Election for next year's Board will be held at the end of September.

Diana Mueller
President, VCPA

The Elected 2014-2015 Board Members:

President - Diana M. Mueller
1st VP Programs – Alana Robinson
2nd VP Membership - Denise Hansen
Secretary - Jennifer Larisey
Treasurer - Sacheen Swan
CAPA Primary Rep. - Alana Robinson
NALA Liaison - Heather Lindquist

The Committee Chairs:

Newsletter – Eric Bleuel
Historian – *Vacant*
Publicity – Marielena Solano
VCBA Liaison: Heather Lindquist, Co-Chairs
VCLSA Liaison: *Vacant*
Ways & Means:
Wine Tasting: Heather Lindquist
MCLE Conference: *Vacant* (Board to Co-Chair)
Education – Michelle DeRoche
Website/Social Media – Diana Mueller
Employment: Elvira Abdon
CAPA Secondary: *Vacant*



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Membership Corner



Denise Hansen

VCPA currently has 55 members enjoying the member benefits VCPA affords, such as The Verdict newsletter, General Meetings and MCLE. If any of our members are interested in volunteering for any open positions in the Board, please consider volunteering. It does involve some of your time, but there are also many great rewards in doing so.

I will be at the MCLE on September 29th, so please feel free to approach me if you have an interest in volunteering!

PROGRAMS



Alana Robinson
VP—Programs

PROGRAMS

Hi there everyone! This is my last newsletter article with VCPA. I am being called to other ventures with my spare time. Thank you for attending these MCLEs and supporting me/VCPA!!!

Past/Present/Future MCLEs:

July- Penny Clemmons, JD; 1 general MCLE; "How to psychoanalyze your boss, clients, opposing counsel and your friends." Hosted at Mimi's Café, Ventura.

August- Joseph Scott, JD; 1 general MCLE; "Calendaring as a Risk Management Strategy." Hosted at Mimi's Café, Ventura. Here is an article published earlier this year by Mr. Scott: http://www.americanbar.org/publications/law_practice_magazine/2016/march-april.html.

September- Jill Friedman, JD; 1 general MCLE; "Trial Skills 101: Mechanics of a Civil Jury Trial." Will be hosted at Mimi's Café, Ventura. *Keep a lookout in your email for more details to come!*

October—Roy Schneider, JD; 1 ethics MCLE; "Ethical Considerations for Corporate Representation.: More Details to come!

Please contact Diana Mueller at Diana.Mueller@ventura.org if you have suggestions for speakers! Thank you so much!!

Alana Robinson
VP Programs

NALA LIAISON REPORT



Heather Lindquist
NALA Representative

As the NALA Liaison, I attended NALA's 41st Annual Convention in Las Vegas, Nevada July 12-15th.

The first full day was our opening address and the start of the institutions. A total of eight institutions were offered which varied from Intellectual Property Crimes, Dissecting Provisions of Purchase and Sale Agreements, Anti-Money Laundering and A Basic Guide for Paralegals: Ethics, Confidentiality and Privilege. The first two days was where all attendees met with vendors who sponsored the event.

There were over 300 paralegals from across the country and at least one affiliate from each state.

On Friday I managed our affiliate booth from 7 a.m. to 2 p.m. and met with lots of paralegals across the country and visited other booths on Thursday to see what other associations do to raise awareness and money for their association. Everyone loved our booth, the candy display and our mood cups! Overall, the convention ran smoothly and put our organization out there. Everyone was very impressed with the huge success we bring in at our annual wine tasting event!

This year's charity selected for the NALA conference was Three Squares. Attendees raised \$4,354, which provided 13,062 meals to the local homeless.

We were also told at our annual luncheon on Thursday that the Mayor of Las Vegas made a proclamation that July 13th is officially Paralegal Day since that was the official first full day of the convention.

The 42nd Annual NALA Convention will be July 2017 in Orlando, Florida.



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Avoiding a Medi-Cal Recovery Claim on a Personal Residence



Stephen Wood,
Attorney with
CunninghamLegal

In order to qualify for Medi-Cal, an individual must have limited income but may have unlimited assets due to the expansion of Medi-Cal under the Affordable Care Act. Medi-Cal expansion has made it easier for an increasing number of Californians to qualify for Medi-Cal. Although this is welcome news to many, it may cause Medi-Cal recovery after a Medi-Cal recipient's death. I'll be going into Medi-Cal recovery in more detail. Note that long term care Medi-Cal, which pays for care in a skilled nursing facility, is still an income and asset tested benefit, meaning that assets are still considered for eligibility purposes. For long term care Medi-Cal, some assets are considered "exempt," meaning that Medi-Cal will not consider that asset in determining eligibility. For example, the personal residence is an exempt asset.

What is Medi-Cal recovery? When a Medi-Cal recipient dies, all property, whether exempt or non-exempt, remaining in the recipient's name becomes available for Medi-Cal to seek reimbursement for benefits it has paid out during the recipient's lifetime. Not everyone who has received Medi-Cal is subject to Medi-Cal recovery, Medi-Cal only seeks recovery for benefits paid out when a recipient is over age 55, or when a Medi-Cal recipient of any age receives benefits in a skilled nursing facility. Medi-Cal recovery claims are often very large and must be paid by assets left over in the estate. If the Medi-Cal recipient is survived by a minor child (under age 21) or a disabled child, Medi-Cal will not recover against the estate. If there is a surviving spouse, Medi-Cal will wait until the surviving spouse dies to make their claim.*

Many people I speak with are surprised to hear that Medi-Cal recovery is avoidable with proper planning. For purposes of this article, I will be focusing on avoiding recovery of the personal residence since it is typically the most valuable asset in the estate and perhaps the asset Medi-Cal seeks recovery against the most. Perhaps the simplest way to avoid a Medi-Cal claim on the personal residence is to transfer it out of the estate before death or to do a retained life estate. There are some downsides though to these methods. In most cases, we advise transferring the personal residence to an irrevocable Medi-Cal Asset Protection Trust ("MAPT") for the following reasons: (i) IRC Section 121 Exclusion; and (ii) Step-up in Income Tax Basis.

*For more information on these and other exemptions, you can visit <http://www.dhcs.ca.gov/services/Documents/Claim%20Exemptions%20CCR.pdf>

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Avoiding a Medi-Cal Recovery Claim on a Personal Residence (cont.)



Stephen Wood,
Attorney with
CunninghamLegal

IRC Section 121 Exclusion

Oftentimes, the personal residence is sold during a Medi-Cal recipient's lifetime for various reasons. If the home is in the recipient's name, the personal residence will now be converted to a non-exempt asset, cash, and the recipient will no longer qualify for Medi-Cal. To overcome this result, the recipient may transfer the home to a loved one; however, if this is done, the sale will no longer qualify for the IRC 121 exemption for the first \$250,000 of appreciation. The result is similar with a retained life estate as the portion of the sale attributed to the remainder beneficiary will not qualify for the exemption.

If the personal residence is sold after it has been transferred to a MAPT, the sale will qualify for the IRC 121 exemption and the cash resulting from the sale will not be counted as an asset of the recipient for Medi-Cal eligibility purposes. Now the recipient has cash to supplement their care and the sale results in little or no capital gains tax.

Step-up in Income Tax Basis

Generally speaking, when an appreciated asset is transferred because of death, that asset will receive a step-up in income tax basis, meaning that the tax basis becomes the asset's fair market value on the decedent's date of death. Conversely, if an asset is gifted away during lifetime, that asset keeps the same basis that the donor had. With a MAPT, property will receive a step-up in basis on the recipient's death. A property with a retained life estate will also receive a step-up in basis.

For example, let's say Suzanne bought her personal residence for \$50,000 and it now has a fair market value of \$500,000. If Suzanne gifts that property to her children to avoid a Medi-Cal recovery claim and her children then sell the personal residence for \$500,000, the children now have to pay capital gains tax on the \$450,000 of gain. If the property is transferred to a MAPT and Suzanne dies when the fair market value of the house is \$500,000, the children will receive a stepped up basis from \$50,000 to \$500,000.

There are many other advantages of the MAPT, such as asset protection and retained control and flexibility of the asset by the recipient. Planning for Medi-Cal and avoiding a Medi-Cal recovery claim is definitely not a one size fits all approach, it is very important to obtain help from an attorney who is knowledgeable about Medi-Cal rules and who has experience in this area. At CunninghamLegal, we have done this type of planning for many clients which has literally saved people hundreds of thousands of dollars in taxes and Medi-Cal recovery claims.

(cont. on next page)

Avoiding a Medi-Cal Recovery Claim on a Personal Residence (cont.)



Stephen Wood,
Attorney with
CunninghamLegal

For more information about Medi-Cal recovery, visit www.canhr.org where you will find a lot of helpful and easy to understand information about qualifying for Medi-Cal and Medi-Cal recovery. The California Department of Health Care Services also has helpful information about Medi-Cal recovery on their website – www.dhcs.ca.gov.

Stephen M. Wood is a licensed practicing attorney in California and a member of the California Bar Association, Ventura County Bar Association, Estate Planning Section and Business law Section of the California Bar as well as the J. Reuben Clark Law Society which strives “through public service and professional excellence to promote fairness and virtue founded upon the rule of law.” Stephen also volunteers for Grey Law, a legal aid group through the Ventura County Council on Aging, serving seniors. Stephen limits his practice to Estate Planning, Special Needs Trusts, Trust Administration and Elder law.

Stephen received his J.D. from the William S. Richardson School of Law at the University of Hawai`i where he graduated near the top of his class. He completed his undergraduate education in French Studies and Anthropology at Brigham Young University in Provo, Utah. Stephen is fluent in French.

Stephen resides in Camarillo with his wife and their daughter. He enjoys spending a lot of time outdoors with his family going to the beach, surfing and hiking. He is also very active in his community and church.

Treasurer Report



Sacheen Swan
Treasurer

The 20th Anniversary Wine & Beer Tasting fundraiser on May 20, 2016 was a great event and resulted in a net positive to the organization of approximately \$2,170.00.

The total bank balance for VCPA is currently \$31,772.82 which places the organization in an excellent position to make donations to the local pro bono service organizations in the coming fiscal year, as well as awarding scholarships to local paralegal students.

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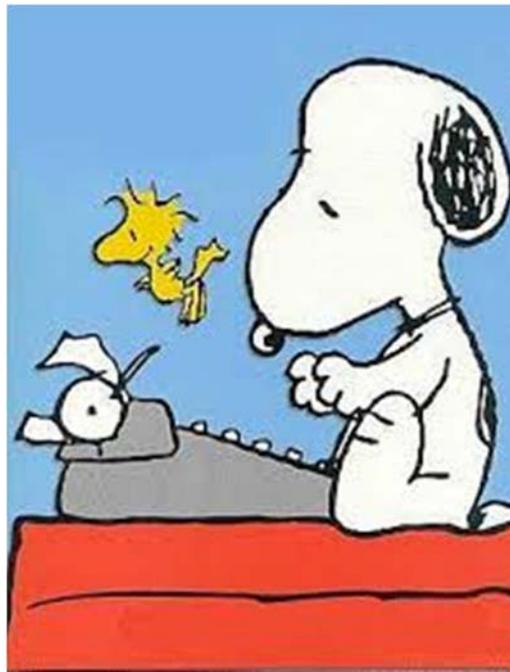
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Note from the Newsletter Editor

Thanks for taking the time to read through the newsletter. If you would like to submit any articles for future newsletters please email me at eric.bleuel@ventura.org.



Eric Bleuel
Newsletter Editor
(in his younger days)