



# Proxy Parent Foundation newsletter

SPRING 2012 ISSUE 9

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### PROXY PARENT FOUNDATION

Proxy Parent Foundation offers two services.

We administer the PLAN of California Master Pooled Trust, which is open as a trust vehicle for any disabled person in California.

We provide Personal Support Services for beneficiaries of our Special Needs Trusts who have a mental illness or brain disorder.

Just like a loving family, we coordinate public and private social services and medical care while providing family-like attention to help the person improve his or her quality of life.

Proxy Parent Foundation is a dba of Planned Lifetime Assistance Network (PLAN) of California, a 501(c)(3) nonprofit corporation.

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## What's inside . . .

By Gary Chang\*

This issue runs the gamut from the office to the street. At some point during all my discussions with families and individuals interested in joining our Pooled Trust, I am asked about the safety of the trust investments and how they are handled. Along this vein, I know you will be very interested and enlightened by this month's article by Board Member, Baron Miller, as he relates his observations and impressions on the workings and processes of our Investment Committee whose role it is to provide oversight and guidance to our trust investment policy and philosophy.

Baron's article is followed by a real life account of how our personal support specialists (in this case our Director of Social Services, Bruce Lewitt) tackle the sort of crisis that can befall one of our beneficiaries at any time.

Last but not least, Board Member, Joe DeCarlo, has contributed another one of his excellent reviews, this time of a New York Times Best Seller that explores how the "biology" of the brain can influence "psychological disorders".

I am sure you will enjoy this issue and we look forward to hearing back from you with any comments, questions, or thoughts that it might engender.

*\*Gary M. Chang, Esq. is Director of Legal Affairs for Proxy Parent Foundation*

## How Safe are your Trust Funds?

By Baron Miller\*



I get asked variations of this question a lot. The safety of money in a special needs trust is certainly a very significant issue, and something about which trustors and potential trustors must and do concern themselves.

Proxy Parent Foundation's Board Members — which include me — are expected to serve on committees designed to oversee different aspects of Proxy Parent Foundation's operations. I serve on the Trust Oversight Committee, which reviews each of the many special needs trusts administered by Proxy Parent Foundation. We try to determine if the services being provided to the trust beneficiaries is optimal in light of the value of each trust, its income, and the beneficiary's individual special needs.

At our last meeting, in December, 2011, we were provided with a financial statement informing us that there are approximately 100 special needs trusts with approximately \$10 million in assets being administered by Proxy Parent Foundation as Trustee of the PLAN special needs trusts. The statement also informed us that most of that \$10 million was being invested in something called a "Liquidity Pool", and that its performance in 2011 was 5.32%.

Investing is not my forté, but I do know that "liquidity" means something is readily convertible to cash, and that often the more liquid an investment is, the less return. I thought liquid assets might return about 0.5%, or roughly 1/10 of this 5.32%. So I was concerned that the Liquidity Pool may be investing in some pretty risky funds in



order to get 10 times the going rate for what I considered a safe investment.

We discussed this at the committee meeting, and I raised it at the next full board meeting in January of this year, whereupon Tom Stevens, CFA, and Chairman & Principal of Los Angeles Capital Management, a fellow Board Member and the Chairman of Proxy Parent Foundation's Investment Committee, addressed my concerns head-on.



*Tom Stevens, CFA, and Chairman & Principal of Los Angeles Capital Management, a fellow Board Member and the Chairman of Proxy Parent Foundation's Investment Committee*

Tom said he and the Investment Committee agreed 100% with me that because virtually all of the trust beneficiaries will never be able to earn an income, and that because the assets which comprise each of the trusts will not likely be added to by anyone after the initial funding, that those assets must be preserved for as long as possible, hopefully for each beneficiary's lifetime, and not be put at an undue risk of loss. He then explained to me how the investment process works, and how safe investments were able to return 5.32%.

Tom explained that the Liquidity Pool consists of money market accounts and government bonds, both of which can be turned into cash immediately and are among the safest of investments. And that these investments are used for the vast majority of trust investments.

The performance rate of 5.32% — the rate at which the investments had grown during the previous 12 months — was not due to risk, but was due instead to the behavior of

the bond market during that time. Interest rates on newer bonds were decreasing, which meant that older bonds with higher rates were in greater demand and their market prices increased since more interest could be earned on them than on the newer ones. Tom tried his modest best to make it sound as though it were all a matter of good fortune, but the fact is that he, an experienced investor, determined that the trusts should hold onto those older bonds.

Tom informed me also that the investment in money market funds was insured by something called the Securities Investor Protection Corporation for up to ½ of a million dollars, and by Lloyds of London for another billion dollars.

The trust funds looked to be not only performing exceedingly well, but to be safe too. There is no sure thing when it comes to investing, but I did walk away from the situation feeling that Tom and our Investment Committee understands completely the needs of our PLAN special needs trust beneficiaries with respect to their funds' performances and safety, and that their decisions are based on expert and prudent considerations. Neither Proxy Parent Foundation nor our Investment Committee can guarantee decent returns on investments, nor complete safety, but I am satisfied that they have their eyes and minds trained to do both.

*\*Baron L. Miller is an attorney in private practice in San Francisco who specializes in estate planning for California families of the mentally ill. He is a long-time NAMI family member, and an advocate for the rights and interests of families of the mentally ill and a Board Member of Proxy Parent Foundation. He does not charge for telephone consultations on the propriety of making payments for the benefit of an SSI recipient. He can be reached at 415.522.0500.*

## “When the rubber hits the road...”

By Gary Chang\*

*As Director of Legal Affairs for Proxy Parent Foundation, among other things, I spend much of my time interfacing with families, attorneys, financial planners, and often potential beneficiaries themselves about our special needs trusts and what they can or cannot do, what it takes to join our PLAN Master Trust and what makes our trusts different than others. Answering these questions is gratifying and rewarding, no matter what the choice the interested party makes. But I am constantly inspired by the work of my colleague Bruce Lewitt, Proxy Parent Foundation's Director of Social Services, as he serves our beneficiaries receiving personal support services on the front lines, day-to-day and hour-to-hour. His commitment to our organization's primary mission, to make our beneficiaries' lives as full, honored, and enhanced as possible, given the horribly unfair encumbrances of their mental illness is awe-inspiring. This following example, drawn almost verbatim from one of Bruce's recent reports, is just one of many I could relate of Bruce's actions. Many other recounts of his efforts might be more dramatic, but none speak so directly to his commitment, tenacity, and heart.*



**Bruce Lewitt** is Proxy Parent Foundation's Director of Social Services. A short time ago, Bruce, doing business as

usual, paid a regularly scheduled bi-weekly visit with one of our beneficiaries, who for the sake of privacy I will call Ed, at the assisted living facility where he resides.

Much to Bruce's dismay he learned that Ed had fallen ill several days prior, and had been taken to a nearby hospital. Not only had



the staff of Ed's board and care, including Ed's social worker, not called Bruce to notify him of this emergency, they did not know the hospital's location, or any other information about Ed's status or condition.

Leaping into action, Bruce called Ed's Public Guardian, only to find out that she was on vacation. Undeterred, Bruce pursued several other Deputy Public Guardians to get information about Ed's whereabouts, until one Deputy finally accessed the necessary records, found the hospital where Ed was a patient, and at Bruce's insistence, contacted the head nurse and authorized her to give Bruce the latest information about Ed's condition.

Information in hand, Bruce drove to the hospital to check on Ed, who was out of the Critical Care unit where he'd been admitted and was now in the Telemetry unit. After speaking with three different nurses and two doctors to learn what had happened, Bruce learned that Ed had suffered from a mysterious infection that caused dizziness and other complications, including a gastro-intestinal bleed. This led to an unstable blood pressure level which caused Ed to lose balance and fall. However, to Bruce's relief, once stabilized, Ed's condition had improved considerably.

When Ed saw Bruce he was excited and amazingly, Ed's mental status seemed much clearer than Bruce had ever seen. The last time Bruce had visited Ed, he had seemed in a fog, confused and out of sorts. So much so that Bruce had brought it to the attention of Ed's social worker at the board and care. Now however, Ed was so much more articulate that Bruce suggested he call his Aunt Mary who is in her 90s. They had not spoken for a long time, but had a warm conversation that clearly helped to raise Ed's spirits even further. A few days later, Ed was released back to his board and care.

Bruce's response to Ed's situation perfectly embodies the level of service Proxy Parent Foundation, under his leadership, provides to its beneficiaries receiving personal support

services. A case worker might have noted in a report that the client was "in the hospital". Ed's case worker did nothing. The difference that a Proxy Parent offers, is simply to do 'whatever a family member would do'.

*\*Gary M. Chang, Esq. is Director of Legal Affairs for Proxy Parent Foundation*

## BOOK REVIEW

by Joseph DeCarlo\*



Change Your Brain, Change Your Life: The Breakthrough Program for Conquering Anxiety, Depression, Obsessiveness, Anger, and Impulsiveness, by Daniel G. Amen, M.D. This book is a New York Times Best Seller, and makes a case that behavioral disorders formally considered "psychological" actually have a biological basis. Dr. Amen uses nuclear brain imaging to diagnose and treat behavioral problems. SPECT (Single Photon Emission Computed Tomography) measures cerebral blood flow and metabolic activity patterns. Family members and patients can gain better insight to problems of dementia, depression, schizophrenia, head injuries and its affect on the brain. The many black & white pictures in the book are difficult to read, however doctors can see 3D color images which they can share with their patients. Standard brain MRI (Magnetic Resonance Imaging) and CAT (Computerized Axial Tomography) shows how the brain looks physically, however not how it works. EEG (Electroencephalography) offers a glimpse by measuring electrical activity in the brain, however not how the brain works.

The SPECT takes about 15 minutes and involves a radioactive isotope substance that needs to be injected into the patient intravenously. A SPECT "gamma" camera rotates around the head and a supercomputer then reconstructs off line the images of the brain's activity levels, such as blood flow/metabolism brain map. Physicians examining these images can better identify certain patterns of brain activity that correlates with psychiatric and neurological disorders. Dr. Amen describes 5 ways that SPECT studies are used.

1. Make early intervention possible i.e., stroke
2. Prevent future illness i.e., blood thinner medicine
3. Understanding the illnesses i.e., Alzheimer's
4. Differentiate between two problems with similar symptoms i.e., Alzheimer's/ depression
5. Find problems of abuse i.e., blows to head

The book cover gives examples on how to identify and help mitigate depression, fear, anxiety, obsessive compulsive disorders, focus, memory, temper & violence issues. This is a very good book by a clinical neuroscientist, child and adolescent psychiatrist. We all have someone important to us that has a brain disorder and this book will better help us to understand the workings of the brain and better understanding of the problems they face.

*\*Joseph DeCarlo is the father of an adult autistic son "Joey" who also has epilepsy. Joey lives at home with his parents and goes to Project Independence, a Regional Center of Orange County funded program. Mr. DeCarlo is President of the Proxy Parent Foundation and can be reached at [joe@jdproperty.com](mailto:joe@jdproperty.com).*

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Please let us know if you would prefer receiving our newsletter by email. Thank you.  
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*a dba of Planned Lifetime Assistance Network of California*

### Enclosed is my Tax-deductible donation of

\$ \_\_\_\_\_

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- Please use this donation as our Proxy Parent Foundation enrollment donation. (Enrollment donations must be \$1000 or more and can be made in payments.)

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