

ASL Fall 2011 ADVISOR

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Santa Cruz Beach Boardwalk: The Brand & Social Media

Social media strikes a chord in us because of our innate human need for connection, and the Santa Cruz Beach Boardwalk strikes the same chord. For over 100 years, the Boardwalk has built its brand identity around its history and that history's relationship to the present by helping families connect and share their memories and traditions across generations. The advent of social media just helps them do it better.

Memories created at the Santa Cruz Beach Boardwalk that once only resided in the minds of individuals and family photo albums on coffee tables now have a virtual forum where they are shared within a community whose connection to one another is

based on their experiences at the Boardwalk. According to Vice President of Marketing and Sales Marq Lipton, "Our purpose is to create an experience for our visitors, to entertain them, and to help them connect. Social media allows our visitors to extend their experience beyond their physical visit and to connect beyond their immediate family to a larger community."

The social media strategy for the Santa Cruz Beach Boardwalk, which is owned and operated by the Santa Cruz Seaside Company, includes a robust presence on Facebook, YouTube, and Twitter. Boardwalk visitors can share family pictures, stories, and videos in the Boardwalk's social media environment. Visitors can also learn about the

history of the Boardwalk, the stories of the people who made it what it is today, and get information on special events, such as the launch of the new Haunted Castle ride and the 100th anniversary of the Looff Carousel, which was celebrated by an Aptos High School student with 100 rides in one day.

Unlike many businesses in the midst of the economic pinch, the Santa Cruz Beach Boardwalk has seen

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Mark Your Calendar!

ASL Seminars: Helping You Expand Opportunities

Request Invite: info@aslcpa.com

- 9/7/11 *Emerging Business Best Practice Series: How Do You Get Your Brand On?*
- 9/21/11 *Fall Tech Seminar: VC Funding & Management*
- 10/19/11 *Emerging Business Best Practice Series: Negotiating Commercial Leases*
- 11/9/11 *Emerging Business Best Practice Series: Tax Planning & Elections for Start-Ups & Frequently Overlooked Small Business Tax Benefits*
- 11/30/11 *Emerging Business Best Practice Series: Knowing Your Industry*

9 Key Duties of a “Trustworthy” Trustee

by Bill Melton, Principal, ASL Family Wealth Planning Group

In choosing a trustee or in taking on the role of trustee, it is important to understand the duties of trusteeship as codified in the Uniform Trust Code and California Probate Code to ensure your plans are carried out as you wish. We have highlighted 9 key duties you should understand and consider in your decisions:

- 1) **Administration** – A trustee is required to follow the terms of the trust agreement. For matters on which the trust agreement is silent, the trustee is required to follow the default provisions of the jurisdiction in which the trust was established. In California, these provisions are set forth in the California Probate Code.
- 2) **Impartiality** – If a trust has two or more beneficiaries, the trustee has a duty to treat them impartially. The trustee must consider the benefits not only to current beneficiaries

but also to future and/or remainder beneficiaries. This duty is magnified when the trustee is himself or herself a beneficiary.

- 3) **Loyalty** – The trustee has a duty to administer the trust solely for the benefit of the beneficiaries. This duty is inherent in the fiduciary relationship, and need not be spelled out in the trust agreement. The trustee must not deal with trust property for his or her own profit or for any purpose unconnected with the trust, as this is considered “self-dealing.”
- 4) **Prudence** – Trustees are generally held to a “prudent person” standard with respect to their fiduciary responsibilities. However, trustees who are also investment, legal, or other professionals can be held to a higher standard commensurate with their higher expertise. Trustees can be paid for their time and trouble in performing their duties. However, the prudent person standard does not depend on whether or not the trustee receives compensation.
- 5) **Control and Protect** – The trustee must take possession of trust property and make sure that the property is

properly titled to the trust. He or she needs to ensure that all of the necessary paperwork and documentation is prepared, filed and recorded.

Reasonable steps must also be taken to maintain and preserve the trust property. Trust property should be kept separate from the trustee’s own property. The trustee should also take measures to enforce any claims that are part of the trust property.

- 6) **Defense** – Trustees should defend any claims against the trust and take steps to defend any actions that may result in loss to the trust.
- 7) **Delegation** – Generally, a trustee cannot delegate his or her duties to anyone else. It is his or her personal responsibility to administer trust assets and carry out other tasks as prescribed by the trust agreement and/or applicable law. However, a trustee may employ agents, attorneys, accountants or other experts as needed to assist in carrying out his or her duties. In so doing, the trustee needs to exercise reasonable care, skill and caution. The trustee should also review the other professionals’ actions and performance on a periodic basis.

CONSTRUCTION CORNER

ASL is pleased to announce that the ASL Construction Group will be participating in the Builder’s Exchange Fall educational seminar series. The series is targeted to both general contractors and sub-contractors. ASL’s construction specialists will be speaking to various tax and accounting issues affecting construction companies. Keep an eye out for more details as they become available.

Perform better against your competition with thoughtful tax planning and analysis of your financials based on the experience and knowledge of the ASL Construction Group. For more information, contact Rob Trammell, rtrammell@aslcpa.com. ▲



»»»... Clearly, trusteeship requires attention to detail and can be arduous. If a trustee fails to carry out his or her duties, he or she may be held liable for monetary losses that may occur. »»»

8) **Record Keeping and Reporting** –

A trustee has a duty to maintain accurate records of trust transactions, and keep the beneficiaries of the trust “reasonably informed” about the trust and its administration. Beneficiaries have a right to receive accounting and transactional details as well as disclosure of all material facts and circumstances. It is important for trustees to remain proactive in this regard. Trustees should not wait for requests from beneficiaries

to provide information. If circumstances arise which could materially affect the trust, the trustee needs to take the initiative to notify the beneficiaries of these circumstances.

9) **Due Care** – A trustee needs to apply the same care and skill that he would if he were dealing with his or her own property.

Clearly, trusteeship requires attention to detail and can be arduous. If a trustee fails to carry out his or her

duties, he or she may be held liable for monetary losses that may occur. Therefore, it is important to select professionals who are experienced in handling trust matters.

At Abbott, Stringham & Lynch, the professionals in our Family Wealth Planning Group are ready to serve you with your trust planning, taxation and accounting needs. We also have close working relationships with top local trust and estate attorneys, professional fiduciaries, and financial advisors, and would be pleased to make introductions as your service needs may require. *Contact Bill Melton for more information, bmelton@aslcpa.com, 408.377.8700. ▲*

>>>>> Tech Byte <<<<<<

VC Funding & Management: What's Accounting Got to Do with It?

Hear, firsthand, how a VC uses your tech company's accounting to make decisions about whether or not to back you, and when a VC has backed your firm, how they use accounting to manage their investment in you. Learn how to structure your company's accounting processes to help you be more successful in raising VC funding, and find out what accounting complexities tech companies commonly face and what to do about it.

Key Topics to be Addressed:

- ▶ What your financial statements say to a VC about your company and your management team
- ▶ Managerial accounting's importance to your VC as they manage their investment in you
- ▶ Financial reporting that grows with your company, from development to significant revenues
- ▶ The technical accounting issues you can't afford to ignore
- ▶ What key accounting issues to watch for in a M&A environment
- ▶ Consolidated financial statements and the complex structures common in tech companies

Speakers

*Graham Burnette, Partner
Red Planet Capital Partners*

Graham has considerable experience in finance, technology and venture capital law. He started as a Corporate Attorney with Wilson, Sonsini, Goodrich & Rosati. He served as CFO and VP of Business Development at Mercury Interactive Corporation, managing their IPO on NASDAQ. Mercury Interactive was acquired by HP in 2006 for over \$4.5 billion.

Graham co-founded HolonTech where he served as the COO and member of the Board of Directors until their technology was purchased by Lucent in 1999. He has been a venture capital investor since 2000, often investing in the first round for an entrepreneurial company.

*Sarah Dryden, Senior Audit Manager
Abbott, Stringham & Lynch*

Sarah Dryden, CPA, is a member of the ASL Audit & Accounting Group and ASL Technology Group. She provides assurance and advisory services to privately held,

domestic and international companies, primarily in the technology and life sciences industries. She works in the startup to middle-market space in the software, hardware, telecommunication, semiconductor, and medical device sectors. Sarah attended Santa Clara University where she earned her Bachelor of Commerce degree in Accounting, Cum Laude.

Seminar Logistics:

Date: Wednesday, September 21, 2011

Time: 8:00 am – 8:30 am,
Check-in & Networking

8:30 am – 10:00 am,
Program & Q&A

10:00 am – 10:30 am,
Networking

Location: Abbott, Stringham & Lynch
1550 Leigh Avenue
San Jose, CA 95125

Registration: Complimentary

Register Today Online:
[http://aslcpafall2011tech.
eventbrite.com](http://aslcpafall2011tech.eventbrite.com)



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Boardwalk

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an increase in its number of visitors. According to President Charles Canfield (*pictured at left*), business has remained strong because, “People are choosing to recreate closer to home, and they’re increasingly looking for added value. With no flat admission fee, families can find their own level of affordability without sacrificing the value of their families’ experiences.” Marq Lipton said, “Social media is an important way we add value to the visitor experience, which reinforces

our brand’s position in the market and helps support repeat and new business to the boardwalk.”

Since “social” is core to social media and the Santa Cruz Beach Boardwalk, the transition to this communication medium has been organic and fruitful. By continuing to honor its history and staying relevant to families, the Santa Cruz Seaside Company believes a social media presence will continue to grow in importance and value (www.beachboardwalk.com). ▲

Have an iPhone or Droid?



Use or download a QR Reader app, and use it to scan the QR Code at left to visit the Boardwalk’s Facebook page or the code at right to see a nostalgic video. ▲

