



# Top Ten Mistakes My Clients Made in a Disaster

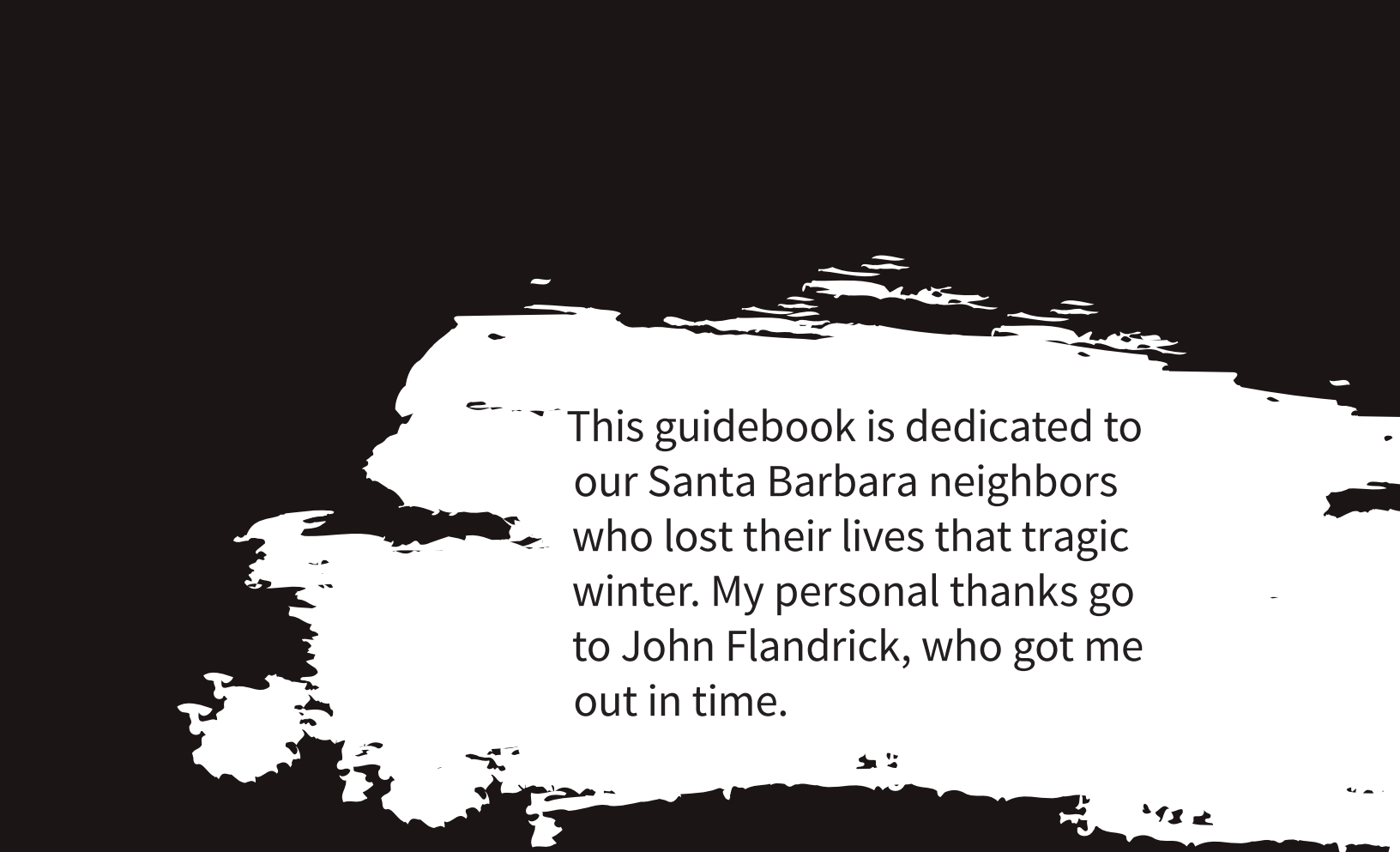
A Santa Barbara Appraiser's Solutions for Your Possessions

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Photos by John Flandrick  
Afterword by Frank McGinity

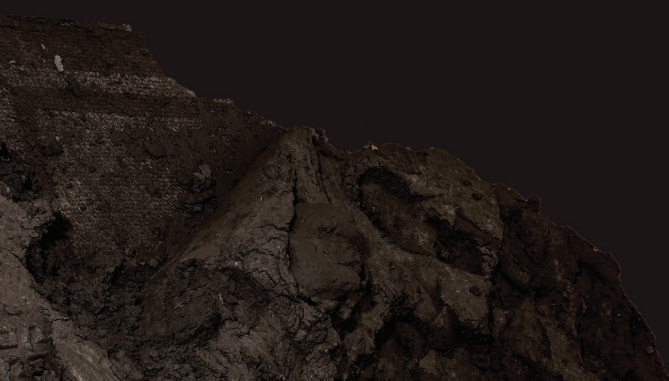




This guidebook is dedicated to our Santa Barbara neighbors who lost their lives that tragic winter. My personal thanks go to John Flandrick, who got me out in time.

“To live is to change, to acquire the words of a story, and that is the only celebration we mortals really know.”

Barbara Kingsolver,  
The Poisonwood Bible



**L**ive and work as an appraiser of art, antiques, and household possessions in beautiful Santa Barbara, a prosperous town that faced catastrophic change due to two horrendous natural disasters in early 2018. I saw that many of my clients were hit hardest 'at home' by both the devastating fire and the mudslides. 'Home,' and what is contained as a nest and a symbol, took on mighty proportions for our town. Many clients took a hold of the disasters by the horns: though they were hit in a one-two punch of fire and subsequent mudslides, they remained calm, emerging a year later creatively renewed and victorious. Conversely, some of my clients are still grieving, and remain uninspired and unmotivated to make inevitable changes a year later.

The difference between my despairing clients and my positive-thinking clients is on the surface simple, but, at a psychic level, very complex. The positive thinkers planned ahead, had a realistic view of the value of possessions, and saw a potential for growth through change. The negative thinkers had an unrealistic, nostalgic view of the worth of their possessions, regretted a lack of planning, tended towards blame, and resented what they perceived as forced change. All my clients and I have learned a thing or two about disasters the hard way. (I myself was evacuated for a total of a month each in the last two Santa Barbara fires. In the previous fire, I lost most of my little home in the mountains above Santa Barbara.)

Two of my wealthiest and most avid collector clients had huge losses: in one case, three million dollars' worth of precious rare books, and in the other case, tens of thousands of dollars in rare California 'bespoke' wines. Many others lost everything from households of daily useable, family-friendly comfort objects, to garages and storage sheds filled with heirloom collections, to precious lives themselves. As hard as it is to





come to terms with the losses suffered from these natural disasters, this guidebook attempts to do just that, in terms of stated mistakes, or answers to 'what we should have done.'

Surveys of many of my Santa Barbara clients taken during the recovery year of 2018, and the results, are here for you to read. It is a story that progressed in my interviews through regret and misgivings, to real positive solutions, to solidly practical rebuilding of lives and homes. The results of lessons learned are presented in this guidebook as 'mistakes we made,' and the answers below are those from my clients (and my own experience of many years), whose hard work and ingenuity (and hard-gained knowledge of insurance traps) paid off. By far, the most positive result—especially for my clients that paced themselves as they reimagined their lives—was empowerment and creativity in the face of rapid change.

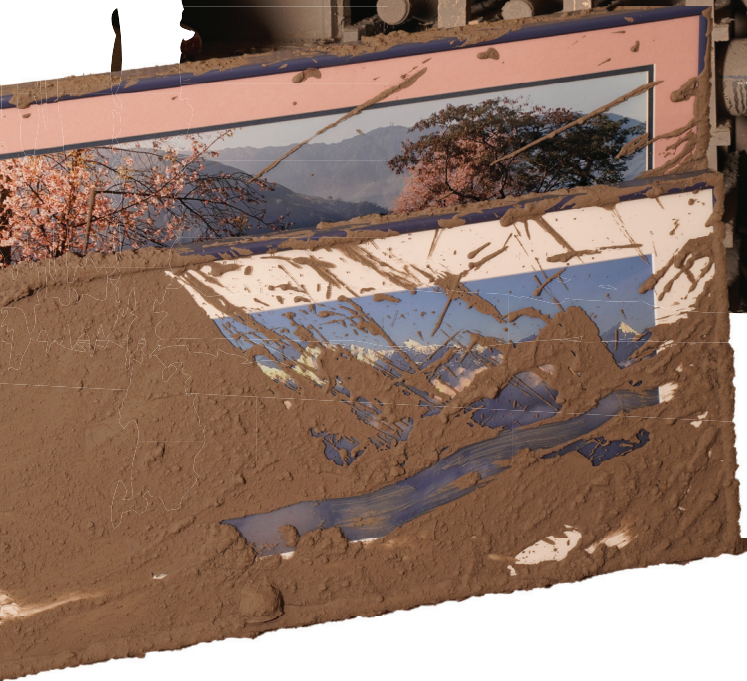
## WHO OR WHAT POSSESSES WHOM?

One further result of the disasters we experienced, according to my clients, was a significant re-evaluation of the concepts of value, worth, and the symbolic meaning of objects. In the movement from pre-conceived and inflated perceptions of value to realistic assessments of worth, I was struck by a common question among my clients: 'Looking back over a year's time: did our possessions possess us, or did we possess our possessions?'

At the apex of the fires, with ash raining down upon him, a client was loading up a treasured French Impressionist art collection, including a Pissarro, wrapped in beach towels (with his many dogs) into a rented van in December of 2017. He had hired me a week before to write an appraisal for an insurance rider schedule. He called when loading up,







letting me know that the dogs were safe. I knew with that one statement that he had rethought the concepts of worth and value. He had planned ahead, he had ordered an appraisal and an insurance schedule, he had

no mental space in which to become anxious about his art, and he had come to grips with his personal relationship with his possessions.

Imparting the knowledge of turning potential and present disaster into a creative opportunity, which opens the door to a distinction between value and worth, is my mission in this little guidebook. I include both the practical solutions of preparation, and the psychological mindset needed before and during a disaster to help you heal head, hearth, and home after the crisis.



## NEVER LET A GOOD CRISIS GO TO WASTE

I am comforted that two great thinkers thought about crises much the same as I do. Machiavelli first said, "Never waste the opportunity offered by a good crisis." The great Winston Churchill popularized Machiavelli's quote by saying, "Never let a good crisis go to waste." Regarding crisis preparation in your home, and creative thinking before the next disaster, the tools you will need to hear and act on the lessons of my clients are a few hard-working weekends and an able and willing open mind. With a clear head about true value, and hands to work through preparation methods, you may also be a little less anxious about valuables when faced with a loss. Plan while you can, insure and prepare accordingly, and know that possessions reflect something beyond 'thingness.'

## CREATIVE THINKING ABOUT VALUE: WHAT CREATES WORTH?

Long ago, the Nobel Prize was won in behavioral economics for work on a concept called the 'endowment effect. The endowment effect suggests that the ownership of a thing increases its value in the owner's eyes. ' I have made the connection between this concept and the objects you own. Your artwork, your grandma's fine china, your autographed book collection, and your family dog are worth more than other people's art, china, books and dogs. The key to this concept lies in the very word 'possession,' which is tellingly defined in Webster's as 'the state of having, owning, or controlling something' or 'an item of property belonging to one.' Think of these words: 'possession,' 'controlling,' 'belonging.' Why do we feel so attached to our belongings? This is important to think about as we prepare for a disaster.



The second key concept in the story of ownership and value lies in the psychological concept of anxiety avoidance. Losing objects once in your possession (which have greater value to you because you possessed them) creates anxiety, which is based on attachment feelings engendered as a small child. We form relationships with material things that have a physical presence, be it a person, or a treasured toy. We are material beings (we have mass and shape and weight), and our senses are attuned to the senses around those physical properties. Feelings are awakened through smell, touch, and sight. Over time, because of attached relationships with objects, the endowment effect (the value to us of an object) is increased.

## YOUR STUFF: BELONGINGS, SYMBOLS, OR THINGS?

Why this matters in a situation of impending loss is the mental shift necessary to prepare and eventually accept the change that perceived loss ignites. I'd like to move away from an aversion



to loss to a realization of what may be gained from a loss, however catastrophic that loss might be. For most people, this is a challenge because the loss is much more intense and long-lived than the gain. Somehow, a gain is not as good as a loss is bad. Understand your relationship to objects, and you'll begin to see what I mean when faced with a total loss.

## EXTERNAL/INTERNAL DIALOGUES

If you understand the basic human mindset behind possession, try this exercise: 'Create a narrative, not a burden.' This means creating a narrative in which to frame your objects, as part of YOUR life story. And I mean it: produce a video or write a story about a treasured object. Grasp that creative concept in action, and you will grasp a functional tool I call 'narrative downsizing.' Create a story and you will be

able to externalize the worth of your object. Losing something and scaling back are both psychologically fraught with emotions, but if I can encourage you to transfer those emotions into a story, the value of the object is transferred from the object to the story. You can learn to eulogize your way to creativity before and after a disaster! I am suggesting closure on many levels: selling, downsizing, giving to heirs, forming a memory box, safeguarding and keeping only the best, for example. If you have the story, the loss (if it happens, and it is likely in our area) is mitigated.

## LOSS AVERSION

Having more means more about which to become anxious. The loss of a great art collection is bad, but constant worrying about the collection's possible demise someday is even worse. We have more to lose than gain when we own







something of value, and that can make us anxious and vulnerable. The concept of homeowner's insurance is based on a natural human tendency called 'loss aversion.' This guidebook will give you some great hints on how to insure and how insurance works. Keep in mind that loss aversion is a stronger motivator than prospective gain.

## THE FOG OF PERCEIVED VALUE

Throughout this discussion, remember the concept of the endowment effect, and this will help you 'get real' about the worth, as opposed to the value, of objects in your home. I say this next bit with tongue in cheek: Our house is of course better endowed with special objects, much more so than our neighbor's house. Where I live, some neighbors are showy and nouveau-riche and one of them decorates simply

out of greed and not out of the appreciation of real beauty! Yet who am I to judge? My stuff is not actually better than their stuff; my stuff is better because it is mine!

To continue with tongue in cheek: My stuff has been mine for a long time, and it has stated, visually, my good taste and accomplishments. Why should I think about scaling down? That is called, in psychology, the 'status quo bias.' This mindset can make packing that car in the minutes before a disaster a total nightmare.

Think about the fog of perceived value, and you'll see objects with different eyes. Here's a great example: I held a garage sale recently and I was challenged by giving up an object that I loved but for which I no longer had room. I overpriced it. If I have to let go, I thought, someone is going to pay. Many prospective buyers did not see the endowment effect at work inside my head! Now it is back on my homeowner's insurance rider, and I am paying for it in a storage unit.

## SEEING 'THROUGH' WORTH, AND THE POWER OF STORY

At the end of this short guide, I explain the importance and viability, indeed, the expediency of difficult change. We often focus on what we might lose rather than what we might gain. If you had never owned that object that you lost, the emotion of ownership would not have woven its tenacious bonds, yet imagining non-ownership is almost impossible. Therefore, I suggest some valuable tools to help you manage possessions, both practically and psychologically. Practically speaking, this takes pre-planning and preparation. Psychologically speaking, this takes openness to creative ways of thinking about change. If you can't wait for my biggest suggestion of all time, turn to the section called "Create a Narrative, Not a Burden!" Keep reading for some tried and true techniques that will give you confidence that you are ready if disaster strikes again.









Lessons from  
Clients Who Lost  
Everything

# The Top Ten Mistakes when Dealing with Disaster



## Case Study 1: I lost all my valuable documents. I no longer existed on paper. Now, I now have one central file.

Our public and private profile is stated on documents: titles, licenses, statements, all forms of tiresome paperwork. Many of my clients scoured the house when they got the evacuation call, searching for those important papers. Some clients have turned to storing those documents in the Cloud. However, in consultation with a security expert, I learned that the Cloud is not unassailable. I suggest that if you use the Cloud, you set up a password wallet to secure those documents, such as Last Pass or Key Entry. The old-fashioned way, says my 32-year-old IT security guy, is to put those documents on a memory stick or a CD and store them in a safe deposit box or at your attorney's office. He also tells me that in five years, memory sticks and CDs will be unreadable, but he assures me that someone will have an ancient 'reader' for such prehistoric technology.

Suffice to say, gather together and copy all your important documents such as passports, wills, trusts, powers of attorney, deeds, pink slips, birth certificates, insurance paper, wedding licenses, prescriptions. Just set aside a weekend and find them. Review your file in one year. One important piece of paper is your dog's inoculation record in case you need to board when away from home. Many evacuated clients slept with Fido in the car because no dog friendly hotel was available, the vet was unreachable, and the kennels wouldn't take Fido without papers.

## Case Study 2: I lost some of my jewelry and a group of family photos. Now, I have an insurance schedule for my jewelry and have scanned my photos.

In the Thomas Fire, I learned that my jeweler's shop, at which I had left my grandmother's, mother's, and my jewelry to be appraised, was to be evacuated. I rushed to Montecito and grabbed a pillowcase full of family jewels. I myself was evacuated on the same day, and my partner and I took that pillowcase to Fresno and then to Monterey. I wore thousands of dollars on my back at every rest stop. Now is the time to look at your insurance to see what dollar limit your homeowner's insurance sets for jewelry. If it is \$2,000, as mine is, now is the time to ask a jewelry appraiser for an appraisal of items worth over \$500. And now is the time to ask a good photographer, not someone with a cell phone, to take quality photos of that same jewelry. We will talk about insurance coverage later, but I find that jewelry is the most vulnerable to the exclusion limits on a policy, as it is very low. I will bet you the loss of the ring you are currently wearing would put you over the top of that limit. Now is the time to ask about a separate schedule for your jewelry. This is called Rider Coverage, and is invaluable for peace of mind.

Almost every client of mine who evacuated tried to grab family photo albums and cardboard boxes of old snapshots. There are two reasons for preparing your family archives in advance: scanning photos is so inexpensive and so simple, so do it soon. The number two reason is that you will one day want to leave these family photos to your kids. They will not want boxes of photos; they will want scans.



### Case Study 3: I did not insure a special collection because it was invaluable.

I have many clients with esoteric collections, notably one in particular, who has a rare and massive collection of Civil War swords. You can well understand that when he was evacuated, the airlines would not let him board. What would have been needed for this collection is a well-researched appraisal for Rider Coverage. He thought no single appraiser would be able to put a value on such a collection for insurance purposes, but we later did just that. Harkening back to the endowment effect, very few collections of anything are truly irreplaceable and un-insurable. Another human tendency at work here in the psychology of ownership is the 'gambling effect.' There are two parts to this gambling mindset: the 'it will never happen to me' part, and the 'I have too many (swords) for them to be lost all at once.' Both are a fallacy, so do not use those excuses not to appraise and insure those things on a separate rider schedule. And have good photos that show ownership and location (more about that later).

Even sentimental objects can be insured for sentimental value, although in insurance parlance that value is not sentimental but pertains to provenance. Provenance is 'from whence the object comes.' For example, the client who has Civil War swords searched out his collection through the descendants of old Civil War families. The closer to the original owner, the more value. That's provenance, and it is of estimable market value. For esoteric collections, consider asking your insurance agent for more than 100 percent replacement cost coverage. This is because esoteric, one-of-

a-kind collections increase more than 5 percent a year, and insurance reviews are typically recommended every three years. This goes for valuable paintings as well. The old adage that 'if an artist dies, the painting's value doubles' is a good example of this inflation of value. Ask how you can cover yourself for appreciation. While I am speaking about works of art, I bet you art collectors have a closet that contains the works you are not currently hanging. Mine are on the floor of a large linen closet. The number one loss case I deal with is water-damaged art. Elevate your fine art that you have in a closet or on the floor of the garage using a square stand made of two by fours. A flood does not typically get that high and most works on paper or canvas are water damaged in a disaster at the bottom quarter of the piece.

### Case Study 4: I never read my insurance policy. Now, I have it memorized.

I hear the phrase 'I have never read my policy' with incredulity. Read your insurance policy. Just read it. Ask your agent for a yearly review. Ask what the terms *appreciable* and *depreciable* mean and if they are covered differently. Ask what the dollar figure is over which you need to have rider insurance. In my house, with my appreciable fine art and antiques, the dollar figure over which it is suggested that I schedule is \$1,500. Ask what a schedule should include. Understand the limits in your homeowner's policy on jewelry, silver stamps, coins, or any interesting object not normally found in a house. You will be surprised. Many of my clients had no idea what they were paying for with their good old homeowner's insurance, but they



paid anyway. Review your insurance policy with an expert. Have a file, paper or digital, of your insurance papers. Ask your agent if this file should include sales receipts. There are different opinions on saving receipts over time.

While we are on that topic, there are different kinds of insurance agents. Some work for only one company, such as State Farm, for example. Some are brokers that work with many companies. If you have an agent with one company, consider sitting down with an insurance specialist who is a broker for many insurance companies, one who is familiar with rider and scheduled coverage for fine art and collections. (I can recommend the best ones for this rider coverage in our area, insurance companies who specialize in art and collections). Ask your specialist if it is a good idea to have one company for homeowner's insurance and one for rider coverage. Certain standard homeowner's insurers may not understand the finer points of art collections, such as authenticity, the importance of condition, and the perils of restoration, and you will be speaking two different languages if you have a company that does not understand fine art in case of a loss.

Understand the terms, the nouns, adjectives, and adverbs, in your policy. Understand what your insurer means by 'appreciable,' 'depreciable,' 'actual cash value,' and 'standard policy limits.' Ask about a very obscure term that you must understand if you collect art or antiques, which by their nature are devalued if repaired. This is the concept of 'loss of value.' Find out if you are covered for it. This is important for a collector. Loss of value means that if you have a piece that your insurance company has paid to have refinished, restored, or refurbished after a disaster, if it is later sold, hypothetically it will not bring the dollar amount that an untouched piece will bring. Once an 18th-century finish is off a piece of

furniture, it is worth about half of its original value. Someone will owe you half the value after it has been restored, and that should be your insurer. That is loss of value coverage.

Speaking about terms, ask about insuring a collection. Understand that a collection of objects or a set of something, such as a portfolio of etchings by one artist, is worth more than the sum of its parts. Ask your insurer how they approach sets, which includes your formal china. There's a theory that if one piece of a set is damaged, the set no longer exists, which means you should be made whole for a full set of china if the tureen is broken.

## OTHER REIMBURSEMENT ISSUES YOU SHOULD KNOW ABOUT

There are other forms of insurance that you may not be aware of, and one of those is a government tax-related program called casualty loss. This is tabulated based on an overage of what your homeowner's insurance can cover. The loss has to be more than 10 percent of your income for you to qualify unless the disaster you have just experienced is declared a 'national disaster.' This form of insurance allows you to deduct against your income taxes, in some cases, going back a few year's returns. You have to file for this one.

Another form of reimbursement after a loss, if your house itself was damaged, is to file for a reduction in property taxes. A client of mine experienced a 45 percent reduction in property taxes after the mudslides hit his home hard.

One of my most business-savvy clients, who owns many properties, lost 40 percent of his main home and 50 percent of its contents. The key to his relaxed approach to claiming losses on his insurance was his great relationship with his broker. In fact, he tells me that the key to insurance is to find a good broker. Acting as his



agent, the broker found him quotes and coverage options years ago, and reminded him each year that a review was in order. In this case, my client was very happy with his coverage, which allowed him to have the status of 'special client' with Nationwide. Finally, after I was evacuated twice and lost one home, I upgraded my insurance coverage. And yes, I used a broker.

## THE IMPORTANCE OF PHOTOS IN A LOSS

One vital thing you can do right now is to pad your insurance policy with photos. Take a look at your homeowner's policy. Your home, based on your zip code and actuarial statistics, is insured for X amount of contents. What is that figure? Now go take photos to prove you have X amount. In the case of one of my clients, he was insured for \$500,000 household contents, but he could only prove \$40,000 of contents. Sadly, I was his appraiser after the loss, and we could only claim what we could fish out of the mud, and what we could prove from old family photos.

## Case Study 5: I did not have an inventory.

Some (younger) clients tell me software is the ticket. So I reviewed three inventory software apps, used by my clients. Here's my review of selected home Inventory Systems:

- a. Home Inventory (<http://www.gottahaveit-software.com/Home.html>), available from Apple's App Store for MacBook, iPhone, iPad, and iPod touch users. Yes, there are 14 fields for object descriptions, and more fields can be customized. Photos should be uploaded to each entry. Mac devices can share this inventory. The app allows for two insurance policies for two homes, for which you enter basic policy details.

When finished, you can ask the app for a detailed summary report by location or category. This category feature is helpful only if you know your homeowner's policy's categories and category limits. Let's say the silver category report tells you that you have \$5,000 worth of sterling in your home. You know your policy's limit for silver is \$1,500, so now you know to purchase rider scheduled coverage for the coverage. The app is portable on your phone, stored in the Cloud, and updatable. The cost is \$4.99.

- b. For Android phones, MyHome Pro is much the same, but features a list of everyone's most common objects for you to enter. The cost is \$3.99.
- c. One step up from the iOS and Android basic systems is Binary Formations Home Inventory 3.7 for Mac computers. The system allows you to upload your owner's manuals and to do remote entry of objects without holding onto your Mac, and if you have more than one location to inventory, you can track unlimited locations. The data is kept locally on your Mac unless you opt to store it in iCloud or Dropbox. You can scan an object's UPC and EAN barcodes. It can take voice dictation. This system includes a separate log for information about your home, such as the year of construction, square footage, price, and property assessment history, and reminds you when you need a service call. This one also has a field for heirs. The cost is \$39.99 yearly at MacHomeInventory.com.
- d. For those of us who have a home business, look into Sortly Pro at \$50 a year, with a free trial of 100 items. This is a nice but complex inventory management software at [www.sortly-pro.com](http://www.sortly-pro.com).



In this appraiser's eyes, here's the downside of what these inventory systems do not do:

The inventory systems I took for a test run cannot define what the value or the cost is that you should be listing, as that should be what your insurance company agrees that you are insured for as a specific value/cost/price. Therefore, the fields which say 'value' can be anything between what you paid for the couch and what it is worth after having three children. Your insurance policy has a term for value: actual cash value, depreciated value, or replacement cost.

Secondly, I am an appraiser, and I make my living setting value, which is defined as a term, very specifically (replacement, fair market, etc.) for specific and special things. Certain objects require a certified appraiser stating a certain value, and there is no field on the phone or computer apps for expensive rare objects. In other words, there is no room for stating appraised value with the associated proof of comparable sales information in the marketplace. There's no field for provenance, which in many cases adds to value, not to mention the family stories, for which there's no field. And if you are inventorying a collection, this is done individually, and we know that a collection is worth more than the sum of its parts.

These apps are perfect for those objects for which you have receipts, and are new and plentiful, such as technological objects. Fields include make/model, serial number, purchase price, date, payment method, and replacement cost. As I said, replacement cost, as it is listed on the field for value, is not worth the price of inputting if you are not insured for replacement cost (think of that sofa example above). Finally, since each object has its own entry, for the contents of a small house, I would estimate the completion of a home inventory would take months. (And that's even for a modest starter home.)

## Case Study 6: What kind of inventory is both easy and effective in case of a loss? I hate the thought of putting STUFF on my phone.

I have been through hundreds of insurance related appraisals, with hundreds of clients. My best clients have followed my advice, and at least do a room-by-room inventory in the form a video home tour of each room. For our clients, my photographer offers a service where he follows a client around the house, lingers on a work of art or grandfather clock, and gets a voice-over of the client speaking about the object, its relevance, its history, its provenance, and its perceived value. My photographer then pans out to locate that object standing with the client, in the client's own room. Next, my photographer shoots still, well-lit photos of each of the relevant objects in the room, and sometimes captions the objects on a PDF photo report.

This is important: for insurance to work for you, you will need to prove ownership and location. You do not need to prove value before a loss for the items for which you have the total contents coverage under your homeowner's insurance. For many reasons it is highly advisable to have good objects appraised for insurance scheduling purposes in advance. (Refer to my earlier statement about category limits on types of objects as well.) You will need to know the replacement cost of each item that you list on a schedule for an insurance rider. You also need to prove that you are the owner of the objects in the house, at that address, for which you have X dollars contents coverage.

If there is a loss, and you find an object in pieces, this goes without saying: take 'after'

pictures. I had a set of Wedgwood that the firefighters broke into about 20 pieces. OK. I had a before shot, and I took an after shot. That's all I needed to claim. Unless it is a total disaster, you may find pieces. Use your camera. And please, do not store the photo and video files on the home computer!

## Case Study 7: I lost my clothes. What could I have done with the content of closets and drawers? What about the kitchen cabinets?

No one can take photos or inventory everything in the closets and drawers throughout an entire house. But try to take a few shots of each closet and drawer. Open each, and take a few shots. You'll be surprised how one object recalls another after a loss. I had a client who had written an inventory of things she lost in her kitchen on the demand of her insurance carrier. Years later, she looked at a photo of a drawer, saw her grandmother's turkey stuffing spoon and remembered she had also lost her grandmother's turkey platter. She was at a loss once she realized that back a few years ago, in a State Farm trailer at Earl Warren Showgrounds, she declared the contents of her home on a written pad of paper. It's important to know how long you have to make a statement of loss to your insurer!

## Case Study 8: How do I deal with my garage and storage units?

If you're boxing things up to put in storage, I recommend a nice app for boxed objects that is only useful as you are boxing them up: for Macs, from the Apple App Store, there is a handy one called Box It Up. This also has a good mapping system so that you can locate where the box is located in the pile-ups later. For Android, the system is Playcolors Home Inventory, available on the Google Store.

Perhaps an easier way is to just go out into your garage or storage unit (which contain a lot of value usually), and open the tops of each box, and shoot a photo down into the box. Then copy the photos and paste them on the outsides of the boxes and create a computer file for yourself of those photos. While you're at it, shoot a video of the garage and narrate.

## Case Study 9: I really should have donated so much stuff before this disaster!

We have discussed the endowment effect, a dangerous way to perceive value, and by now you might have come around to the idea that your stuff is worth what it's worth, not what you think it is worth. Set aside two weekends in the next 3 months, and give yourself one day each weekend to gather stuff you want to donate or sell in five boxes each day. Don't let clutter creep up on you. Clear your head of attachment issues, and think hard and fast about what you can donate. In my experience viewing people's homes almost every day of my career, here's the areas where clutter creeps up most commonly:



- a. The linen closet
- b. The bedding closet
- c. The closet that contains paper souvenirs like old greeting cards and family photos. (Old film is highly flammable.)
- d. The cleaning material closet. (Old cleaning solutions can be highly flammable.)
- e. Your winter stuff storage area
- f. Your holiday stuff storage boxes
- g. The projects you were going to finish
- h. The projects your spouse was going to finish

Donation is easy and morally satisfying, if you have a designated charity (a 501c3 not-for-profit organization) that accepts the categories that you are offering (that is important, because the IRS considers the mission of the charity, and if your donation is relevant and valuable to the charity), and your charity has a truck to pick it up. You will need to download and understand the IRS form 8283 for non-cash charitable contributions. You are allowed to estimate the value of a donated item yourself (you don't need me) if the value is under \$5,000. (See the IRS form 8283 for definition of collections). If you state the value yourself, be very conservative. Think about what you would expect to see that object offered for at Alpha Thrift. Do not claim retail. Be most careful of overstating the value of clothing, furs, or electronics. My suggestion is that you ask for expert valuation services if your donation is in the \$2,000 to \$5,000 range, as that is the most commonly claimed range of donations valued, and therefore the most scrutinized by the IRS. For items valued over \$5,000, you need to hire a certified member appraiser to come up with a valuation complete with comparable sales defense. And the appraisal must be timely, within six months of the donation.

For any donation, I suggest you get good photos of the objects and good photos of the guys in the truck as they load the objects. And although the charity cannot put a dollar figure

on the objects, ask them for a Deed of Gift, which acknowledges the donation on charity letterhead.

Be aware of the new tax laws; from what I have heard from my clients, they are onerous to the lower-level donations they usually make.

## Case Study 10: I wish I had made a record of just a few treasured objects.

### Appraiser's Solution: Create a Narrative, Not a Burden

I offer you here one tried and true method to thwart the attachment effect, as well as to make your kids very happy (since you are not sending them surprise boxes in the mail of things you think they should have). Make a visual story with your possessions as the star and you as supporting actor. Find someone who can shoot a video, and narrate the story of those objects in preparation to selling them or donating them, or (in rare cases when they want your things) giving them to your kids.

Here's my most poignant anecdote about the calming and closure effect of such a nicely done narrative story:

*Hospice of Santa Barbara had a disabled elderly client who had been sorely grieving the loss of her spouse. She was left alone in a large rambling two-story home, which was too much for her. Her kids and Hospice were trying to convince her to move to Casa Dorinda Senior Living. One thing held her back: the collection of 20 cardboard boxes of Noxzema jars in her garage. For 60 years, her husband had applied the cream after shaving. He liked the color and piled up the collection over time. The garage was redolent with the*

*scent of the cream of many shaves past. Our solution was to use our able photographer to compose a pyramid of the numerous beautiful blue jars outside on a sunny day, and shoot some great photos, really works of art in themselves. We had them blown up to 28 by 36 inches, and framed. I was there when Hospice presented the picture to her. Since she had the visual narrative of her Noxzema scented 'good morning' kiss every day for 60 years right in front of her eyes, she was able to let the collection go, saving one jar for the scent.*

The moral of this story: Think of creative ways to shrug off the endowment effect and the attachment you may have to objects. Pick a method (I suggest video, but there are other ways) that is perfect for you to take a leading performing role in telling your story of a particular passage of your life. Use the objects as a plot device. Think of ways to weave a narrative, both visually and orally, into the stories. It is the stories themselves that are the real 'attachment value' of any object in your possession. And we know that since your objects have your own personally endowed endowment value, what better way to pass on the true value of an object than to narrate your story through the object.

It's not the object, it is the objective symbol. Remember that, and you will have the key and antidote to a catastrophe, and you will feel like a magic artist. Even if those objects are history one day, as so many are underneath the Montecito mud, you will have your own history recorded through them. Your kids will thank you for it, if one day you ask them, "Do you want the object, or do you want the story and video, or both?" You will be surprised at the answer, but pleased with your foresight. I guarantee it.

## Mr McGinity's Montecito Disaster Story, One Year Later: A Client Who Made NO Mistakes

### SEA OF MUD

I wrote an article about the sea of mud that struck our house on the morning of January 9th. Elizabeth Stewart asked me to give a sequel to that article one year later and perhaps some tips on how to cope.

It seems to me that a psychiatrist would be a better person to address you when you think of the psychic trembler of that day. When I looked at our property about a month later—as you recall, it took that long before any of us could get into the property to observe the destruction—it was somewhat unbelievable. How could something like this happen in our sleepy paradise. Great tragedies don't come to Santa Barbara!

I told Elizabeth I might not be the best for this presentation. On the Sunday before the disaster, a friend of mine had a horse running at Santa Anita. "You have to come down and see this big race," he said. "Leave it to Alphie" is running and he has a good chance. So down I went on Jan 7th. As it turned out, "Leave it to Alphie" saved my life. If I had been home and heard the rumbling, I would have gotten up and opened the door and would have been killed. That's what happened to my neighbor Roy Router. And 23 of our neighbors. That's the real Santa Barbara tragedy.

Since I work down in Los Angeles and have an apartment in Westwood, I decided to stay down and come up to Santa Barbara on Wednesday. Of course, I never made that trip back. About a week later, I was able to take



the boat *Island Packer* and at least get to my office. No way would I be able to get back into Riven Rock where our home was located. I would eventually end up spending three days a week at the cottages at Birnam Wood Golf Club and four nights a week in my apartment in Westwood. On the brighter side, one of the benefits of the mudslide was my golf game improved significantly with my internment at Birnam Wood.

So I'm not qualified to talk about the upset and mental anguish of January 9th since, quite simply, I wasn't there. But life never promises us a perfect journey and we must adjust. It's my opinion that this was a 100-year flood and certainly won't occur again in my lifetime. So there is no reason to sell the house and move out of Montecito.

I wrote an article for *Noozhawk* entitled "A personal journey through a sea of mud." In the article I describe some of the surprise benefits which occurred as a result of this horrendous mudslide. First of all, my insurance company, Nationwide, has been very cooperative. Several acquaintances had advised me to get an attorney or adjuster to negotiate with the insurance company but I decided not to and don't regret this move. All my room and board (including Birnam Wood) was paid for and I ate very well. Mud removal, which cost \$220,000 alone, was quickly reimbursed. And the landscaping, guest house and main house has been or will be fairly compensated for. My main house presented some difficulties for getting permits, since it is over 100 years old and there are no plans. It was at one time a theatre for Stanley McCormick. Stanley was the son of Cyrus McCormick, the inventor the reaper. Stanley was confined to Riven Rock for 40 years with two male caregivers around the clock. We made a DVD on his story only two months before the mudslides, with many of the scenes shot in the main house and landscape.

But so far everything is coming out well.

My 1958 guest house has been modernized, the main theater house has also been upgraded, and the landscape will also be improved. Because of code requirements, I now have the main house with a new fire sprinkler system. For items not covered by my insurance company, I could have gotten a Small Business Administration Loan at low interest rates. I was also able to file for a casualty loss on my tax return. Since the mudslide was designated a national disaster by the President, it was subject to special rules. You could report the loss on your 2017 tax return. I was fortunate to have a recent appraisal of my house prior to the disaster and then hire the same appraiser to do an appraisal in the month following.

The estimated market loss has to be offset against any insurance reimbursements.

My neighbor cued me in to another "benefit" from the mudslide. The County of Santa Barbara enacted Ordinance 4697, providing property tax relief for owners who have suffered property damage due to major disaster or individual misfortune. Property owners may apply for a reassessment under this ordinance for any damage or destruction not the fault of the property owner. I applied and my property tax was reduced by 45 percent.

There were some intangible bright spots. I was moved by my two sons and daughters-in-laws, who came to my aid. And it wasn't easy. So many objects and memorabilia were covered in mud and some stuff not salvageable. And their counsel in getting through this tragedy was immeasurable. Even my grandson chipped in. He gave his piggy bank to his father and said, "Give this to Grandpa to help out." And thank you also to "Leave it to Alphonse."

Frank McGinity

Dec 31, 2018



# Six P's of Evacuation

1. People + Pets: Plan exit route, plan meeting points
2. Paper + Phone #'s: Put Documents in one place
3. Personal computers, hard drives, disks
4. Prescription medications
5. Plastic: credit, debit, cash
6. Photos stored OFF SITE