

June 30, 2020

Loon Shots

While we are quarantined in our homes, I read this book among many others.

This book, by Safi Bahcall, is one of the most interesting I have ever read. It is about how crazy ideas which can win wars, cure diseases and transform industries are often the products of neglected projects, widely dismissed, its champion written off as unhinged. Drawing on the science of phase transition, Bahcall shows why teams, companies and other mission driven groups will suddenly change from embracing wild new ideas to rigidly rejecting them, just as flowing water will suddenly change into brittle ice.

The book describes how America discovered radar in 1922, yet the Navy mothballed it until Vannevar Bush resurrected it in World War II. It also describes how World War II and the Battle for the Atlantic was almost lost by the summer of 1943 but for the implementation of microwave radar.

It discussed how a Japanese scientist from Sankyo, against all advice, connected fungi to blocking cholesterol. He ends up, after being ridiculed, discovering statins and saves millions of lives, yet the discovery was stolen by Merck which made billions of dollars on Mevacor.

It discussed how Edwin Land, inventor of Polaroid and polarizing, recommended a new discovery to the US government to use CCD chips in spy satellites, which made U-2 spy planes obsolete, yet did not use the chips in his cameras. So, the U.S. was helped in winning the Cold War, yet Polaroid went down the tubes.

He describes that in the 1400s the world's economy was centered in China, India and Islamic countries, yet, because of the Royal Society of London, created in 1660, nearly all the British founders of modern science were brought together and England became the winner in a competition to discover (or rediscover) truths of nature and used science to foster and nurture the improvement of man's lot on earth by facilitating technological invention.

Finally, it discusses the legacy of Vannevar Bush (following the legacy of the Bell Laboratories) who prompted by President Roosevelt to continue American innovation by creating the National Institute of Health, Advanced Research Projects Agency, and the National Science Foundation.

NJ Passes Safeguarding Against Financial Exploitation Act (SAFE)

On January 13, 2020 SAFE was enacted in New Jersey. SAFE provides, in part, that qualified individuals, defined as broker-dealers and investment advisors, who believe that financial exploitation of a vulnerable adult may have occurred or been attempted, or is being attempted, shall *promptly notify* the Bureau and adult protective services. Further, the broker-dealer or investment advisor *may delay* transactions and disbursements from accounts related to the vulnerable adult when *they believe* that financial exploitation *may be occurring or will occur* and has been properly reported.

Lisch Investment Management LLC is a New Jersey Registered Investment Advisor, which has Howard Lisch and Melissa Rosenfeld as Investment Advisors. Melissa Rosenfeld is a Registered Representative with a broker-dealer in addition to being an Investment Advisor with Lisch Investment Management LLC.

We are mandated to follow these procedures, and as such, will be contacting all seniors and vulnerable adults, and ask if they want to identify a trusted person for us to contact for administering the account or in the event of financial exploitation concerns.

Lasting Effects Of Past Pandemics

Human nature never really changes, but the distribution of human wealth does.

Social distancing rarely sticks. Economist Paul Dales cites Hong Kong's quick rebound in hotel occupancy and retail sales after the SARS outbreak in 2003. "The Diary of Samuel Pepys" during London's Great Plague of 1665-1666 showed Mr. Pepys returned to his office after around six months. He also risked his life by frequenting the pub, even at the height of the plague.

Changes most likely to be permanent are those that were already under way. This may include working more from home, relative appreciation of suburban real estate at the expense of urban real estate.

The Black Death of 1347-1351 also had consequences for the English property market, as lots of land changed hands due to inheritance and forced sales. Quoting an author of a book on the period, "People lost their families, but gained a legacy." *Wall Street Journal* 6/27/20 p. B10.

Many Exempt Groups No Longer Need To Report

their large donors to the Internal Revenue Service. The Obama administration caused exempt organizations to list the names and addresses of contributors who made gifts of \$5,000 or more in a year on the tax return so that they may be seen by the IRS and anyone else.

Amid lots of controversy, the IRS has issued final regulations abolishing this requirement for 501(c)(4) social welfare organizations and many other groups. These organizations must still report the amount of contributions on Form 990 and keep a list of donors and addresses in their records, but need not disclose donor information on the returns. 501(c)(3) charities and Section 527 political organizations do not get this relief.

Prior to this, there were alleged instances of IRS personnel illegally viewing the filed returns and allegedly passing on the information for political purposes. *Kiplinger Tax Letter* 5/29/20.

As always, if you have any questions about these or any other matters, do not hesitate to call us.