

Conversation of a Quieter Life Shared at LLC

By Lou Fancher

Imagining herself bereft of life's purpose, Diana Lorence found peace, passion and paradise in a tiny, 12-foot-square house. And then, after seven years spent living in the home lit only by a fire with her husband and soulmate, Michael Lorence, she made the marvelous decision to share it with the world.

Innermost House is a structure, an idea, an architectural manifestation of being lost, then found. It is a tale of search and self-rescue. For now, it is a website and a story that lives and breathes its essence most vividly in the physical bodies of the Lorences and the minds and memories of guests fortunate enough to have visited. Innermost House still exists on privately owned land; the couple now lives in Williamsburg, Virginia.

Which is why a rare, one-hour presentation Nov. 5 by Diana Lorence at the Lafayette Library and Learning Center was precious. Displaying poster-size photos, Lorence introduced an intimate audience of approximately 20 people to the 11-by-7 foot living room in which Lorence and her husband sat knee-to-knee, the 5-by-3 foot kitchen, the bedroom loft with its peaked, 12-foot-high fir plank ceiling. Lorence transformed fresh market vegetables and goods into stews, pottages and bread cooked in a cast iron pot over embers in their much-cherished fireplace. The home's coastal mountain clearing in Northern California was a crossroads long followed by animal wildlife, providing a constant parade.

With a wall of reference books that Lorence said had immense personality and were "covered in almost-white paper for the quietness," conversation was their primary activity. Without electricity, beeswax candles and light from the fire

illuminated their lives and provided heat. Firewood came from branches in the nearby orchard – wood that would otherwise have been discarded. A decision to install a conventional septic system provided the limited running water they used for cooking, sponge baths and to operate the toilet in the closet-size bathroom.

Innermost Home was designed with simple materials – plaster, yellow pine, redwood, cedar – by Lorence's husband, whose background includes architecture and textile design. By extension, he has turned his skills to an intriguing occupation that includes fashioning secret hideaways for high-powered executives in need of respite while conducting private conversations that ennoble their spirits. Built by the Lorences in 2004 with one assistant, Innermost House took nine months and one day to complete.

"We rarely left the property. We expected to live there the rest of our lives. It turned out that was not what happened but it was a wonderful way to live," Lorence said.

In rooms she said were designed to fit her body, Lorence created a life that fit her innermost needs. A work history of jobs lost when they failed to provide labor that she found meaningful and over 20 years of searching worldwide with her husband for a place of serenity resolved themselves in the 144-square-foot home. "The house taught me how to live. I was competent and that gave me confidence. I started having guests come because I loved my world. The funny thing is, they loved it too."

But like any worthwhile story, conflict entered. Four years after a generous friend had allowed them to build and live in Innermost House, he sold the property and the Lorences

were forced to depart. Back in the world, Lorence became physically ill and her husband desperately determined to regain the partner who "asked more questions than a 2-year-old, but with the insight of a mature, fascinating woman." They asked the new landowners if they could return. Granted a second period of three years in the home, they grew to treasure even the ashes in the fire. "They contained so much of our lives," Lorence said.

Mysteries are meant to be only imperfectly or partially understood. Innermost House and its effect on actual or virtual visitors is in some ways impossible for Lorence to define – yet its power emboldens her to speak publicly, something she never expected. "There was no thought of speaking about it. But once we lost the house, a woman persuaded me to talk about it. I found out there are people who identified with (my) answer to whatever is missing out there."

Ironically and poetically, the simplicity of their external lives – no room for accumulating possessions, plentiful time for face-to-face talking and side-by-side chores – caused their inner consciousness to bloom. "Traveling the distance" between her pinpoint detailed focus and her husband's broad-view perspective – a difference she demonstrated with pinched fingers, then a sunrise-to-sunset sweeping gesture – provided an endless landscape for intellectual exploration. "We both changed each other a lot," Lorence said. Her husband said 33 years observing "a very unusual woman" who has a vision of a world where everything and likely everyone are united, has perhaps been his rescue from what otherwise might have been an existence comprised of materiality and superficial relationships.



The Lorences' tiny 144-square-foot house



The 11-by-7 foot living room Photos provided, copyright Diana Lorence

At Innermost House, he said, "Night and day were more one thing than two things. Man and woman were more one person than two people."

Since publishing her first blog article, Lorence's story has appeared in "House Beautiful," "Fine Homebuilding," "Tiny House Blog," and other publications and websites. In-

nermost House will be featured in a published book in 2016. The Lorences recently founded the Innermost House Foundation with the goal of creating a living retreat where people can experience time well spent in a place not unlike paradise on earth.

To learn more, visit <http://www.innermosthouse.com/>.

Lynn's Top Five Year-End Tax Planning Ideas

By Lynn Ballou, CFP®

With the busy holiday season awaiting us, I thought it would be a good idea to share a few year-end tax strategies with you while you still have time to implement them. This was a very quiet year for new tax laws, but that should not lull you into a sense of complacency. There are still calls to action, and here are my favorites for you to ponder.

- 1) Are you withholding the right amount?** For some of you, the question would be, "Have you paid enough estimated taxes so far this year?" Last year was a big tax year for many investors due to distributions of gain from investments. Despite the volatility in the equity markets this year, many investments will be distributing similar gains as last year. At the very least, it is worth the effort to be sure you and your tax advisor have a game plan in place to pay enough tax to avoid penalties and also to determine if you will owe next year, so it is not a surprise if you do.
- 2) If you need deductions, think about what you can prepay.** For some, maybe you will prepay state income taxes you expect to owe. For others it might be slipping in that extra mortgage payment. But watch out for

the AMT (alternative minimum tax). Per Linda LaHonta, a CPA in Lafayette, "On the deduction side, the AMT is really the issue, so at least for a majority of my clients this planning tool of prepaying state and property taxes is somewhat irrelevant." The AMT is complex and too difficult to ballpark. I strongly advise having your tax advisor run the numbers to determine whether you can benefit from prepaying certain deductions or not before you do so.

3) Tax loss harvesting is still in style! Because we are anticipating another year of significant pass through gains, take a look at your portfolio and determine if harvesting tax losses could be helpful and sensible for you. You may sell securities for a capital loss to be used as an offset against gains, but you cannot repurchase that same security until after 30 days if you want to use that loss. You may, however, purchase something similar instead within that same 30 days if you are concerned about being out of a possible rising market.

4) Charitable gifting with appreciated assets instead of cash. You probably already know that you can gift appreciated assets such as stocks and mutual funds instead of cash to most qualified charities. But at year-end, with the clock ticking, we all tend to take the expedient path and just write a check. So this year, plan ahead! My suggestion is that if you are planning on giving at least \$1,000 to one or more charities, check with your advisor about gifting part of your appreciated portfolio holdings instead. Their back office will work directly with the organization's gifting department to facilitate a transfer. Qualified charities sell these assets without incurring taxable gain and you will report the full value of the security on the date of the gift as a deduction (check with your tax advisor about possible limitations). If you are thinking of gifting these types of assets, you might benefit by doing so before they pay out any year-end distributions, thus receiving a double tax benefit.

5) Fully fund retirement accounts! If you got a late start this year on

401(k) and other payroll retirement plan deductions, changed jobs, or are self-employed, know your contribution limits and be sure you will fully max out by year end. This is the time to do so while you still have at least one or two paychecks left this year. And if you turned 50 during the year, you can fund an additional \$6,000 into your retirement plan as a "catch

up" provision. Next year's contribution limits are the same as 2015, so don't forget to reset your payroll deductions in early January to reach your limits by the end of next year.

Linda shared another fun tax season fact with me: "In observance of Emancipation Day on Friday April 15, 2016, taxpayers will have until Monday April 18, 2016, to file their

2015 Individual Returns and make their first 2016 estimated tax payment." Fantastic news for taxpayers who like to procrastinate or just need a smidge extra time, but for Linda and my other CPA and tax advisor friends, my heart goes out to you! Happy Holidays everyone!



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