

Tax accountant Daniel Hoffman's advice: **Read *King Lear***

For those who may have forgotten their Shakespeare, *King Lear* is a play about inheritance gone terribly wrong.

In a spectacularly unwise move, Lear, king of Britain, decides to divide his earthly possessions among three daughters according to their (professed) affection for him. Two of the three lavishly declare their love, while the third, Cordelia, the truly devoted daughter, answers truthfully and with comparative restraint. Swayed by words rather than actions, Lear rewards only the grasping daughters, setting off the chain of events that makes Shakespeare's play such a deeply human tragedy.

Recommended reading for Silicon Valley millionaires?

Daniel Hoffman, estate planning expert and master's candidate in English, thinks it absolutely should be.

"What was true in Shakespeare's time remains true today," Hoffman says. "Transferring wealth and power to the next generation is difficult. The lust for material goods is an empty pursuit. Wealth without responsibility corrupts children. And you must give something back to the community to be truly satisfied."

Giving back to the community is both a personal and professional mission for Hoffman, a native New Yorker with almost 25 years of experience in individual and corporate taxation. At the Bay Area-based accounting firm Lautze & Lautze, he encourages his high net worth clients to set up private, charitable foundations and to recruit their children to participate. "Helping the less fortunate can be an extremely valuable experience for both generations," Hoffman says. "Wealth can be a burden to children, rather than a blessing."

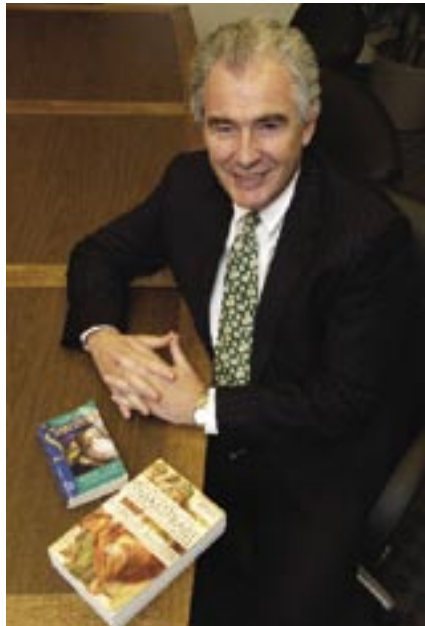
Not your typical CPA

Hoffman joined Lautze & Lautze in 1978, specializing in fiduciary and estate tax practices and settling IRS controversies. He became a director and shareholder in the firm in 1984.

"My partners, who are traditional accountants, see me as atypical. I am not particularly detailed oriented. I was drawn to being a tax accountant because of the emphasis on reading and research."

Reading, research *and* creative problem solving.

In a recent negotiation, Hoffman saved a dot.com millionaire gone bust



STEVE CASTILLO

Hoffman and recommended reading

"A rule of thumb in family estate planning is: 'From shirt-sleeves to shirt-sleeves in three generations.' The first generation makes the money, the second generation manages to lose it, and the third starts (again) at square one."

— Daniel Hoffman

from imprisonment for tax evasion. The client hadn't filed a tax return for three years because, the client claimed, the 16th Amendment (which gives Congress the power to collect income taxes) had not been properly ratified.

Friends and associates have called Hoffman "aggressive," "an incredibly quick thinker," "super sharp," "direct" and "outspoken." He's even been compared to radio shock jock Howard Stern.

"Shock" might be too strong a word, but he did raise a few eyebrows when he told a *Business Journal* reporter he could teach him to be an accountant "in an hour. It's very logical: the left side equals the right side....After that, it's application."

What Hoffman says he meant by that tongue-in-cheek comment is this: It's "easier to train a liberal arts major to be

an accountant than to turn an accounting major into a well-rounded professional service provider." Why? Because literature and philosophy help us understand the world and the people in it. "Initially you are promoted based on your technical ability," he explains, "but ultimately it is the ability to relate to clients that determines success."

Graduate school at 55

Hoffman already holds an undergraduate degree in liberal arts from St. Bonaventure University and an MBA from Golden Gate University. (He also spent three years in the seminary.) But what motivated his return to the classroom is a continuing passion for literature and the arts and the need for additional "intellectual stimulation beyond technical tax work," he says.

Two people also influenced that decision: his uncle Bob Sheppard, the stadium announcer for the New York Yankees and a speech teacher at St. Johns in Queens, who used to "cringe" at his nephew's Long Island accent. Uncle Bob, whose life-long motto is "clear, concise and correct," urged Hoffman to study liberal arts so that the two "could communicate." Leading by example is Hoffman's friend and San José real estate attorney Ron Rossi, currently enrolled in the graduate history program at SJSU.

For all that backing, Hoffman admits to feeling a little anxious his first day on campus. "I was surprised at how nervous I was," he says. "I kept experiencing déjà vu feelings of my undergraduate days."

Chaplainry work

For the past several years, Hoffman has also served as a Catholic chaplain at Stanford University Hospital, attending the sick and terminally ill.

His son died an untimely death five years ago at the age of 30, and the volunteer work helps Hoffman deal with his own personal loss and sadness, he says. "I visit with the patients. If they wish, I give them communion or we share a prayer. Sometimes we just talk."

Recently Hoffman visited with a young boy who had received a heart transplant. The young patient wanted to offer a prayer of thanks for the unknown donor, who had subsequently died, and he and Hoffman did so together. "It was very moving," Hoffman says. "That heart saved his life." ❖

—Kat Meads