



Action Items

October 2008

State of the Economy

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Coping with the Unknown

We are all asking ourselves the same questions: will my company survive, will I be able to keep my house, will I have to pull my kids out of college and more.

I am writing this piece on October 11, 2008, the day after the most turbulent day on Wall Street ever! I, like you, have no insider information on what the financial world will hold in the near future or even how to define the near future or duration of our downturn. While it is important to stay informed which is what business owners and managers must do, there will come a point when the shock will wear off. The endless talk shows about the economy and the relentless headlines will either take us into a depression (financially and emotionally) or we will each reach inside and begin to focus on developing a plan for living and prospering.

We are a nation addicted to debt. Our savings rate is somewhere between a minus 5% and .4% making us the lowest savers of the organized world. We cannot control our government or Wall Street but we can each in our own way position our companies and our households to not just survive but to thrive.

Since it is unlikely that we will leverage our way out of this, it is up to us as leaders in our companies and in our families to re-learn the virtue of frugality. Nancy Gibbs wrote a short article in the October 13, 2008 issue of Time Magazine titled "Real Patriots Don't Spend." In this article she states "American Greatness—the vision of the founders, the courage of the pioneers, the industry of the nations builders—reflected a mighty faith in the power of sacrifice as a muscle that made young nations strong."

We must continue to invest in our companies, providing solid value to our customers and clients while also focus-

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ing on debt reduction to the extent possible.

It is imperative to teach our children and employees how to save. Years ago, I was at a joint function of the Harvard and Wharton Clubs in Los Angeles. During cocktails, I was in a group of maybe 10 Harvard and Wharton MBA graduates and asked two questions: “Do you balance your checkbook” and “Do you have a home budget?” To my surprise only one other person balanced their checkbook and no one had a family or personal budget. Times have changed and in my view we need to do both.

Savings come from one source—spending less. The product of spending less can be applied to reducing debt or investing for the future. As we all know this process is very simple in concept, yet enormously difficult to do consistently. It would be a wonderful legacy for us, as leaders, to impart these concepts on our children and employees.

Several months ago ACI’s leadership embraced a new Vision Statement “Improve the Nation’s Savings Rate One Plan at a Time by Challenging Ourselves and Others to Think Differently.” We know from national statistics that the percentage of people that save through IRA’s is dismal. Please do whatever you can to encourage your employees to embark on, or enhance, a regimented savings program. This is not the time to suspend savings as many are doing in their 401(k) plans. This is also a good time to re-examine our own savings habits and determine if an enhanced retirement plan program at our companies could help not only the owners, but also serve as an enhancement for our employees’ savings as well.

There are many more things right in this country than there are wrong. We can and will plan our way through this unknown period and come out stronger on the other side.

Thank you for reading this. 

The Entrepreneurial End Game: Alternative Exit Strategies

By Lee R. Petillon,
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When an entrepreneur decides to start a new business, an exit strategy is probably not at the front of his mind. It is difficult enough to get a new business started to be planning exit strategies at the outset. However, since a particular exit strategy does affect the strategic alternatives and corporate direction from the outset, it is not a bad idea to start thinking about alternative exit strategies fairly soon.

It is likely that over the years since the founders founded the company, there may be several reasons why they might wish to obtain some liquidity in their estate, including diversification of investment, hedging the risk of a declining company value upon death of one or more of the founders, a desire to provide for estate taxes upon death, and other personal reasons.

This article will attempt to delineate some of the considerations in fashioning an exit, including the following alternatives:

- Individual sale of control
- IPO
- Sale to a financial buyer (hedge fund, LBO, etc.)
- Sale to a strategic buyer
- Recapitalization
- Sale to an ESOP
- Operate the Company as a “cash cow”
- Liquidation

Preliminary Considerations

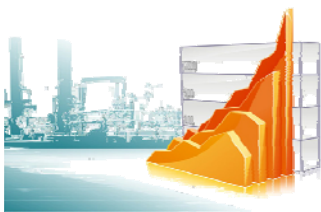
Are there are restrictive agreements that impact on the founders’ ability to sell the company? Preferred stock agreements with investors often restrict a sale or merger of the company without obtaining the consent of the preferred stockholders. Also, preferred stock agreements of venture backed companies usually contain a liquidation preference giving the preferred stockholders preference over the common stockholders as to distributions on liquidation, sale or merger of the company.

Following is a discussion of several types of exits and

relevant issues:

Individual Sale of Control – Rather than sell the entire company, it may be propitious for the founders to sell control of the company, or to obtain a premium for the control block if all of the company's shares are being sold. Such a sale may raise issues under the applicable corporation law as to the fiduciary obligations of majority stockholders to minority stockholders, although there doesn't seem to be any broad legal restriction against the simple sale of corporate control.

Agreements among shareholders need to be scrutinized to determine whether any restrictions exist on sale of control blocks, and whether there are any right of first refusal/ or co-sale rights given to outside investors.



IPOs – An initial public offering (“IPO”) is probably the most advantageous exit (but the most difficult to achieve) since it offers a number of advantages that other exits do not:

- It offers the founders an ability to continue in control of the company (and to enjoy their salaries and perks) and at the same time to capitalize their earnings. The founders are not taxed until their shares are sold at the discretion and timing of the founders.
 - Public market values often provide a higher valuation of the company than through a sale of the company.
 - Public stock is a “currency” with which to make acquisitions and provide incentives to attract key executives.
 - Today's metrics of an IPO are:
 - Minimum market cap of \$200 million
 - Minimum offering of \$50 million (underwriters generally want 25% of capitalization in the hands of the public)
 - \$2 million of offering expenses (legal, accounting, blue sky, other offering expenses, not including the underwriting commissions – which are usually 6% to 7% of the offering amount.
 - The company's technology, market, management must all be attractive enough to justify a public market.
- The company must have audited financials for at least three years by a reputable CPA firm experienced in SEC accounting and Sarbanes-Oxley.

As attractive as an IPO may be for the foregoing reasons, there are distinct disadvantages that should also be considered:

- Transparency – Management of a public company operate in a “goldfish bowl.” This could be a sharp difference than operating a privately owned company. Competitive advantages may be lost through full disclosure of a company's operations and finances.
- Cost of SEC Compliance – Such costs, particularly after Sarbanes-Oxley, can be substantial. A study of middle market companies (\$50 million to \$200 million in revenues) indicated an increase from approximately \$1.3 to \$2.1 million in legal and accounting expenses post Sarbanes-Oxley. This translates into a substantial drain on earnings and market value: (A company with sales of \$100 million and \$5 million of net income after taxes, whose market value at a price earnings ratio of 20 is \$100 million, can have its market value decrease by 20% or \$20 million by a \$1 million cost of Sarbanes-Oxley compliance).
- Operating a public company has inherent securities liabilities. Trading by insiders (officers, directors and large shareholders) on material non-public information is strictly prohibited. The short-swing profits rule (Section 16 of the Securities Exchange Act of 1934) provides that any profits from purchase and sale of a company's stock by an insider in any six month period must be disgorged to the company. Sarbanes-Oxley places substantial liabilities on officers and directors for false financial reports.
- Finally, the company's market price is subject to the vicissitudes of the stock market, as well as those of the company's fortunes.

Sale of the Company to a Financial Buyer – A financial buyer, usually a hedge fund, leverage buyout (“LBO”) fund or a management buyout (“MBO”) fund is looking for bargains. Such funds look for companies that are undervalued, can be turned around, increase their profitability and “flip it,” i.e., resell to a larger strategic buyer or take it public through an IPO. Financial buyers usually have a stable of experienced managers who can extract greater profitability through cost cutting and other operating efficiencies. There are reportedly some 8,000 to 9,000 privately equity funds managing over \$2 trillion of assets.

Financial buyers often make acquisitions on a highly leveraged basis.

Advantages

- As opposed to an IPO, which can take a lead time of six months to two years to close, a buyout can usually be accomplished in a matter of a few weeks or months, since all the negotiations are private and free from SEC review or disclosure. Consideration is typically all cash with a possible small amount being retained by management as an incentive.
- Growth capital is usually supplied by the buyer which has a large capital fund with all of its borrowing power.
- The acquisition may be of stock or of assets of the acquired company. Buyers usually prefer assets to eliminate potential undisclosed or contingent liabilities and to obtain a stepped-up basis. However, the sellers incur a double tax in an asset sale – a corporate tax on the sale of assets, and a subsequent tax on the proceeds at the shareholder level. Accordingly, sellers usually prefer a stock sale which incurs a single level of tax at the capital gains rate.

Disadvantages

- The company's retirement, deferred compensation and stock option plans will probably be terminated by the financial buyer.
- Because of the financial buyer's emphasis on cutting costs and profitability, many management jobs will be at risk, at least after the transition period.
- Because of the loss of control by the founders, a sale to a financial buyer may adversely affect morale of the employees.

Sale to a Strategic Buyer – This type of sale is usually to a large company which has a market or technology niche that is filled by the acquired company. The strategic buyer is focused on revenue growth, market share and competitive position, particularly how such factors enhance the acquiring company's corporate strategy.

Advantages

- Since the strategic buyer is not looking to resell at a profit, it will usually offer a higher valuation than a financial buyer to the sellers. Profitability is probably less important than with a financial buyer.
- Management is likely to be retained, at least for the transition or earnout period, if any.

- Since most strategic buyers are large public companies, an acquisition through a tax-free reorganization (a statutory merger, a stock-for-stock exchange or a stock for assets exchange) provides deferral of taxation to the selling shareholders so that they can time their sales and capital gains taxes.
- The size of the acquired company in terms of gross revenues is important – a 2003 study of all U.S. acquisitions found that the larger the acquired company's sales, the higher the price as a multiple of earnings for the acquired company. If the sales price was less than \$100 million, the sales price as a multiple of net income was 22, whereas where the acquisition value was over \$500 million, the multiple jumped to almost 30. Thus, the founders may wish to defer a sale until they have grown in size, either internally or by their own acquisition program.

Possible Disadvantages

- The strategic buyer may allocate a portion of the merger consideration (possibly as high as 50% or more) to an earnout, that is, to performance benchmarks of increased sales or profitability. Such earnout provisions need to be carefully reviewed and negotiated to prevent the buyer from unduly influencing the earnout determination.
- It may be difficult to integrate the operations of the buyer and seller due to cultural, geographic or operational differences.
- The founders will, of course, lose control although they should insist on some control over operations during the earnout period.

Recapitalization – If the company has substantial assets to support a term loan, recapitalization by the loan proceeds can be used to effect a complete or a disproportionate redemption for the remaining shareholders with capital gains treatment of the proceeds. A deferred redemption could be effected by issuance of preferred stock with a mandatory redemption provision. Such mechanisms may also be used to effect an "estate freeze," whereby the founders take preferred stock and the successors, usually family members, take the common which has all of the appreciation potential, followed by a complete redemption of the preferred.

These provisions are technically complex and should be reviewed by experienced tax counsel.

Employee Stock Ownership Plan ("ESOP") – An ESOP is

a special type of plan that provides special tax advantages to the sellers of the company stock, whereby the founder(s) sell their stock to the ESOP:

Tax Advantages to Seller – A seller of shares to an ESOP (provided the ESOP owns at least 30% of the company's capital stock) can defer taxes on the sale proceeds indefinitely as long as he invests the proceeds in "qualified replacement property," i.e., any stock traded on an established securities exchange. Thus, the seller could defer taxes during his lifetime (or pay the proportional tax on a partial sale of qualified replacement property) and completely escape capital gains taxes on death. The issuer of the stock makes contributions to the ESOP to fund the payment for the stock. Or, the ESOP could borrow the money (from specialized ESOP lenders), using the proceeds to purchase the seller's stock and fund repayments to the lender with tax deductible contributions from the issuer.

Advantages

- To the Seller: The seller can indefinitely defer taxes, only realizing taxes on a portion of Qualified Replacement Property which he sells.
- To the Company: Virtually the entire purchase price is deductible so that assuming a company's federal and state tax bracket is 40%, the company's cost would be 60% of the purchase price, the government funding the balance of 40%.

Disadvantages of an ESOP

- Complexity of setting up the initial valuation and required annual valuations combined with consequent high initial set-up costs.
- The ESOP must purchase shares from beneficiaries upon retirement or death.
- Distribution of benefits of the ESOP is subject to discrimination regulations, so that if the founders intend to sell to a small group, an ESOP is not an attractive alternative.
- The trustees of the ESOP have fiduciary duties to employee-beneficiaries.

Continue to Own the Business – This may not be strictly an exit strategy, but nonetheless may present an attractive alternative to a sale or IPO. The factors which make operating the company as a cash cow attractive are:

- Lack of opportunity to effect an IPO or a sale.
- Enjoyment of the ownership control of the business,

particularly if the founders' children want to take over the business upon the retirement of the founders.

- A family operated business can provide employment for members of the family.
- Where the bulk of the company's earnings can be passed through to the owners, by a combination of sales, bonus and distributions, a pass through entity such as an S corporation or limited liability company permits such distribution to be taxed singly (and a sale of the company will also produce single level taxation to the sellers as a conduit entity). A typical type of company to be operated in this fashion is an engineering or services company which is not likely to have a product or technology which has life beyond those of the founders.

Liquidation

If all of the other possible exits are not possible or likely, and the business is declining, a liquidation may be the most attractive alternative exit.

Or, if the business over years has produced appreciated assets that cannot be sold, liquidation may be the better (or only) alternative disposition. Again, if the business is operated in a conduit entity, liquidation proceeds may be taxed only once. Proceeds of liquidation by sale of assets is probably taxable twice, first at the corporate level and secondly at the shareholder level.



Conclusion

Whatever exit strategy appears to be optimal, the founder (s) should not wait until the eleventh hour, 59th minute to consider and plan an exit.

From the very beginning of a new enterprise, the organizational structure, management, dynamics, technology, market direction and other factors will vary depending on the type of exit which seems to be the most feasible to the founders.

The author has prepared a "Founders' Checklist for Sale or Retention of the Company" which is available upon calling or e-mailing the author's office:
(310) 543-0500 or e-mail: lpetillon@phlcorplaw.com 

We're turning 25

By Pat Byrnes, MSPA, MAAA, EA, COPA
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ACI is turning 25

On December 1, 1983 ACI was formed in Torrance, California. To celebrate our humble beginnings Michael Jackson's "Thriller" was first broadcast on December 2, 1983 (at least our timing was right).

Other events that occurred in 1983 included the introductions of : McDonald's "chicken nuggets," IBM's PC XT, Microsoft's first release of "Word" and the cell phone.

We bought an XT and used "Word" from the get go. We also probably ate a bunch of nuggets although my memory is a little hazy on that one. At that point we couldn't afford cell phones.

"Gandhi" won Best Picture of the Year; Best Song was "Always on My Mind." President Ronald Reagan announced the creation of "Martin Luther King Day" and Tom Brokaw was named news anchor for NBC.

As you all know the pension field has had a gaggle of ERISA related legislation in the last 25 years. You may be surprised to know that since 1983 there have been 31 separate pieces of legislation that have dealt with pension

or IRA type plans. This does not include laws concerning health and deferred compensation issues. We have been busy over the years gaining understanding of these laws, almost countless regulations, notices and other guidance from the IRS, DOL, Treasury and PBGC. We have worked with our clients and their advisors to bring the very best compliance, actuarial and consulting services.

Today our clients range from small entrepreneurial businesses to professional entities, professionally managed companies and publically traded businesses. We have growing activity with private equity funds and are involved in mergers and acquisitions. We have also developed a practice in helping our clients understand their fiduciary roles and responsibilities which include setting up plan committees and developing prudent fiduciary processes. Creating retirement plans that work either in simple or complex situations has always been one of our strong suits.

We continue to invest in technology, as well as training of our staff and professionalism. So we stand at the ready for the next challenges like the Pension Protection Act of 2006, the DOL's activity on more disclosure to plan sponsors and to participants and of course the effect that the economy is having on our clients (see related article "Coping with the Unknown").

We thank you for being a client, partner or advisor of ACI.



Legislative Update

October 16, 2008

Retirement Plan Limits for 2009 Announced



On October 16, the Internal Revenue Service announced the cost-of-living adjustments that will be applied to the dollar limits in all tax-qualified retirement plans in 2009. The limits apply to calendar year plans, and plans that have been amended for EGTRRA. If your plan has not been amended, or you have an off-calendar plan year end, contact your plan administrator to see if there are any changes to your plan.

Defined Benefit Plan Limits

The limitation on the annual benefit under a defined benefit plan increases from **\$185,000** to **\$195,000**.

Defined Contribution Plan

Individual Contributions

The limitation on contributions made on behalf of an individual to a defined contribution plan increases from **\$46,000** to **\$49,000**. Individuals will still be limited to contributions of 100% of compensation or \$49,000, whichever is less.

401(k) Deferrals

This dollar limitation on employee deferrals into 401(k) plan increased to **\$16,500**.

Catch-Up Contributions

For individuals age 50 and over, the catch-up contribution limit has **increased** to **\$5,500**.

Annual Compensation Limits

The maximum annual compensation that may be recognized by a plan will increase from **\$230,000** to **\$245,000**.

Key Employees

The dollar limitation for determining whether an employee is "Key" for officers in a top-heavy plan will increase from **\$150,000** to **\$160,000**.

Highly Compensated Employees

The dollar limitation on compensation used to determine which employees are considered highly compensated will **increase** to **\$110,000**. Thus, employees who earn in excess of \$105,000 in the plan year beginning in 2008 will be considered highly compensated for the plan year beginning in 2009 and employees who earn in excess of \$110,000 in 2009 will be considered highly compensated employees in 2010.

Have an Idea for an Article?



Action Items is provided to our clients and their advisors with articles that address relevant, timely issues. If you have a particular topic that you would like us to address, a question you would like answered, or if you would like to submit an article for publication, please let us know. We welcome your feedback and input.

ACI in the News

ACI named in the top 20 for Los Angeles County



We're very happy to announce that ACI was featured again in the Los Angeles Business Journal's 2008 "The List." We were ranked as one of the top 20 companies for Employee Benefits Consultants/Managers in L.A. County.

Here's to hoping to continue with a tradition of successful and prosperous upcoming years!

Presentations at a glance by Pat Byrnes

- Cash Balance Seminar– TBD January, 2009- Planning opportunities for Entrepreneurs and Professionals sponsored by John Hancock
- Mission Critical Compensation Matters- October 28, 2008
- ASPPA Annual Conference- October 20, 2008- Speaking on actuarial risks and liabilities under section 436: Are you now a fiduciary?
- The Color of Retirement Plan Money- October 8, 2008
- The Entrepreneurial End Game- September 18, 2008
- Mission Critical for the Long Beach Chamber Closed Circuit TV- September 9, 2008

PPA Funding Strategies for 2008 and Beyond

*A*s a result of rising costs and gyrating financial markets, budgets are being pinched not only for individuals, but for businesses as well.

In addition to the recessionary economy wreaking havoc on business owners, the Pension Protection Act of 2006 (PPA) also brought significant changes to the funding requirements for sponsors of defined benefit plans beginning in 2008. Before PPA, there was ample flexibility in the calculation of the minimum required contribution; oftentimes providing sponsors needed relief in years when

Lee National Denim Days at ACI



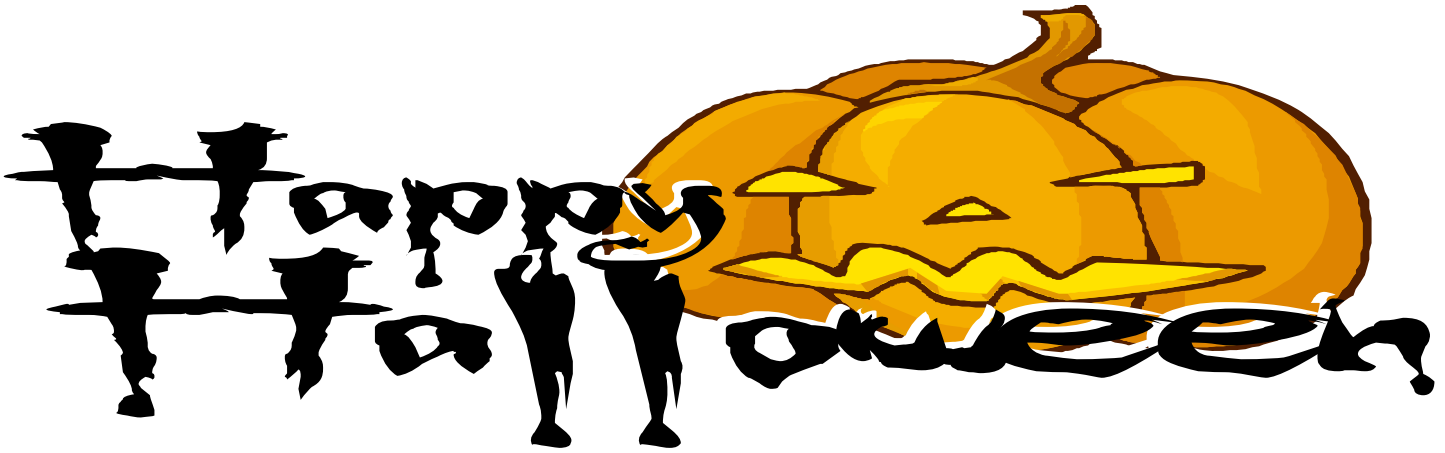
This year ACI expanded it to a 3-day event honoring and celebrating those we know who are fighting cancer; those who are survivors and those whom we've lost -- all honorees were listed on our lunch room white board. We kicked it off on Wednesday, October 1st and raised the bar by asking for an additional donation for wearing tennis shoes with the jeans and a further additional donation for wearing flip flops. ACI gave prizes for pink flip flops and on Friday there was a hat contest with prizes in several categories including "most outrageous". Results: we raised \$400 and had a lot of fun doing it.

Lee National Denim Day is one of the largest single-day fundraisers for breast cancer in the world. Each year, on the first Friday in October National Breast Cancer Awareness Month, Lee Jeans encourages millions of people nationwide to wear their favorite jeans and make a \$5 donation to support the fight against breast cancer. Now in its 13th year, Lee National Denim Day has raised more than \$70 million in the fight against breast cancer. In 2007, people at nearly 18,000 companies and organizations wore denim on Lee National Denim Day. <http://www.denimday.com>

cash flow was limited. PPA mandates that the minimum required contribution be calculated in a more uniform manner, by requiring the use of a specific funding method, mortality tables, and interest rates. Because of these new rules, there will be limited flexibility, if any, in the level of your required contribution. Additionally, further restrictions may be imposed upon a plan if the plan is not sufficiently funded. Specifically, a plan may be restricted from providing lump sum distributions, or in extreme cases, be required to freeze accruals altogether.

Under PPA, the key measure of the funded status of your plan is determined by your plans Adjusted Funding Target Attainment Percentage (AFTAP). This percentage must

Continued on bottom of page 9, "PPA Funding Strategies "



ACI is Growing

Rob Eisenberg
Pension Administrator
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Following high school Rob Eisenberg went on to Penn State University and graduated with an Actuarial Science degree and a minor in Mathematics. From there he worked at Towers Perrin doing pension consulting in the defined benefits plan world for 1 year.

Then Rob joined Deloitte and worked on pension valuations, benefit calculations, government forms filing, and Sarbanes-Oxley regulations. After being with Deloitte for two years, Rob started his own private consulting firm that aimed to help individuals and small companies with various services ranging from budgeting and profit analysis to home acquisition strategies and loan analysis. He did this for about two years and then moved to California in order to join and be an integral member of ACI.

Strategic Sourcing

As mentioned in our last Action Items we are proud to announce our joint venture with Strategic Sourcing, a staffing and consulting firm. Strategic Sourcing is a global business solutions and project management company specializing in the areas of finance, accounting and pension plan administration. This partnership allows us to expand our services and offer professional service solutions to our clients and advisors.


Attracting and retaining talented professionals is the primary concern of most, if not all, companies. Staffing firms are coping with high labor costs while trying to discover highly-skilled talent for their clients. Strategic Sourcing recruiting managers focus on emphasizing the unique qualities each position offers, balancing the selling points of pay, benefits and company stability in their recruitment efforts. Most important, it's their top priority to make sure that the right candidates are being sourced and recruited.

Please feel free to contact Colette Laurent at colette.laurent@acibenefits.com

PPA Funding Strategies Continued from bottom of page 8

be calculated and certified by the plan's Enrolled Actuary each year and is a rough measure of how your plan's assets compare to your plan's benefit liabilities.

In general, if your AFTAP for the current year is greater than 80%, the plan may continue to operate normally. If your AFTAP is less than 80%, your plan will be subject to restrictions, the magnitude of which will be dependent upon your actual AFTAP.

With limited flexibility in determining the amount of your minimum required contribution under PPA and the AFTAP certification timing and restrictions, it is extremely important to weigh the AFTAP into your planning process in determining what to contribute to your plan each year. 

ACI Client Education Seminars



BASIC TRAINING SEMINARS:

The **Introduction to 401(k) Plan Operation** is an educational presentation that covers items such as non discrimination testing, employee deferrals and employer contributions, loans and distributions and payroll issues.

Understanding Annual Plan Administration was added last year to help members of your staff understand the process of plan administration in general. This seminar will cover issues such as employee communication, distribution requirements, tax reporting (945, DE6, DE7 & 1096), year-end data packages, setting up timelines and expectations and changes in company structure.

The seminars will briefly cover how your plan is affected by the Pension Protection Act of 2006 (PPA06).

The seminars are open to anyone who would like a better understanding of their plan(s). The seminars will be held at our Torrance location. There is a \$25 fee for each seminar. **This fee is waived for all ACI clients.**

SEATING IS EXTREMELY LIMITED.

You can contact Yariel Chiong, Marketing Coordinator, to reserve a seat at yariel.chiong@acibenefits.com or (310) 212-2600, ext. 204.

Below is the 2009 schedule:

Plan Administration

Tuesday	February 3	9:00 AM to 12:00 PM
Wednesday	February 18	9:00 AM to 12:00 PM
Tuesday	May 5	9:00 AM to 12:00 PM
Wednesday	May 20	9:00 AM to 12:00 PM
Tuesday	August 4	9:00 AM to 12:00 PM
Wednesday	August 19	9:00 AM to 12:00 PM
Tuesday	November 3	9:00 AM to 12:00 PM

401(k) Basic Training

Tuesday	February 3	1:00 PM to 4:00 PM
Wednesday	February 18	1:00 PM to 4:00 PM
Tuesday	May 5	1:00 PM to 4:00 PM
Wednesday	May 20	1:00 PM to 4:00 PM
Tuesday	August 4	1:00 PM to 4:00 PM
Wednesday	August 19	1:00 PM to 4:00 PM
Tuesday	November 3	1:00 PM to 4:00 PM

New Defined Benefit Seminars

Our clients have expressed a desire to have members of their staff trained in basic operational issues related to defined benefit plans and we would like to pass that knowledge on to you!

DEFINED BENEFIT PLANS

Topics for the Defined Benefit Plan Seminar are as follows:

- Promise to pay
- Contributions
- Contribution Limits
- Types of Defined Benefit Plans
- Discrimination Testing
- Frozen Plans
- PBGC
- Plan Termination
- Distributions
- Plan Amendments
- Post 2007 Rules

Dates on the seminars will be released at a later time.

Circular 230 Disclosure: In accordance with recently issued Treasury Regulations, which became applicable to all tax practitioners as of June 20, 2005, please note that the advice given herein (including any attachments) is not intended or written to be used and cannot be used by any taxpayer for the purpose of (1) avoiding tax penalties under the Internal Revenue Code, or (2) promoting, marketing or recommending to another party any matters addressed herein.