



The Bulletin



East Bay Association of Enrolled Agents
*To Enhance and Protect the Professional, Economic, and
Educational Interests of all Enrolled Agents*

June 2008

NEXT MEETING Wed, June 18, 2008

Place: **DUBLIN Radisson Hotel**

(go to http://www.radissondestinationguide.com/location/Map.process/OID_EB39EA2D/?hotelCode=CADUBLIN)

4:30 Board Meeting

6:15 Networking

6:45 Dinner Buffet

7:15 Program: **"IRS Correspondence"**

Cost: \$35.00 with reservation by Friday June 13
\$45.00 with reservation after deadline

Sign up online at:

<https://www.123signup.com/calendar?Org=ebaea>

(please print out your confirmation to ensure that you clicked all the right buttons to register) Questions: email ebaean@ebaean.org (preferred) or call 800-617-1040.

June Topic: "Responding to IRS Correspondence: The First Line of Defense"

Speaker: Philip Fiegler, EA

By Greg Crofton, EA, Program Chair

IRS is increasing their contact with taxpayers.

The focus of this session will be on CP2000 notices from AUR, although other information re contacts by IRS will be briefly addressed. The number of CP2000 notices that IRS is issuing has increased dramatically. The way IRS handles the cases is undergoing a lot of changes, and we must be more vigilant and diligent, or our client could end up with an adjustment which is very difficult to reverse.

A few years ago, a large number of these notices were correct, but now many of them are totally or partially incorrect. IRS seems to be latching on to certain situations and questioning taxpayers on them. There has been an escalation from "You forgot a 1099" to "We are auditing your tax return by mail."

To advocate for our clients properly, we need to have an understanding of both the IRS systems for handling these and the way to draft a proper response.

Philip Fiegler decided he wanted to become an Enrolled Agent in late 1991. His decision was based on a desire to switch careers to something not affected by the recession, and he wasn't really attracted to becoming a mortician. He passed the Special Enrollment exam on his first attempt in 1993 after finishing one tax season at H&R Block. His practice is now comprised of about 85% individuals plus some entity work. He specializes in self-employed people and representation before the IRS and other government bodies. He became a Fellow of the National Tax Practice Institute in 1999. He has done Graduate work at NTPI and is a multiple-year attendee and member of the American Academy of Tax Practice. Philip has also been a member of the Board of Directors of EBAEA for 4 years, and served as the Program Chair for 3 years.

Philip has been a speaker for various chapters of CSEA, CSTC, and CSATP, as well as having spoken at the CSEA East Bay Tax Talk event and the annual CSTC Symposium. In his spare time, Phil likes to attend rock concerts, watch the 49ers and go to warm places where he can lay around and read escapist novels. If anyone is doing a seminar in the Caribbean or South Pacific, he'd love to be a speaker.

PRESIDENT'S MESSAGE

by Peggy Hall, EA

CSEA's CORE Purpose

To assist Members as they protect and serve taxpayers

CSEA's CORE Values

Service with integrity, Valuing Relationships

Accepting Challenges as opportunities

CSEA's Big Audacious Hairy Goal (BHAG) is to dominate the tax profession. When the public, the government, or IRS think of tax they will think EA. My vision this year is to move closer to that BHAG. I want us to reach for that lofty but possible goal through the synergy created by the support in our chapter.

My son took me to the climbing gym and when encouraging me to reach for higher handholds said, "You are tied in to the rope and you cannot fall so why don't you try to reach higher than you think you can go?" If we are all tied in with supporting each other how high can we go?

So what does this support entail? First the Board of EBAEA will support you. We will diligently do our jobs to the best of our abilities, we will listen to you with open minds, we will produce excellent educational dinner meetings and seminars, and we will solicit your help. This organization is much more fun if you are involved. We have tried to break up the jobs into small pieces so that more of you can participate with little time commitment. I am excited that so many Members have stepped up and volunteered!

Then how can you support the Board? Give us feedback, and brainstorm with us about educational topics for dinner meetings and seminars and what you would like in the Bulletin. Please come to the Chapter Retreat on June 21, 9AM to 3 PM at the Radisson Hotel. A continental breakfast and lunch will be provided. We want to provide you with fuel so you will have energy to brainstorm and have a good time. Every single one of you is important to the success of this organization. We hope you will attend the retreat.

We can support each other by sharing at dinner and small group meetings. Ask "Can I help you with something?" Get involved with each other either in business and/or pleasure. Have fun and laugh. We will look for ways to bring more EAs into our chapter. We will bring back the mentoring program so volunteer to be a mentor or tell us you would like a mentor. If you know of EAs who are not attending our events make a special effort to invite them to dinner or small group meetings.

NAEA and CSEA are also tied into this rope of support. Please attend the June Annual Meeting and some committee meetings. Not only will you see all the work that is being done on our behalf by volunteers, but also you will have a great time. Being involved with CSEA is very rewarding because of the culture of support and mentoring. The "old-timers" tell CSEA stories of four in one room, fun in the spa and snoring: a great bonding experience. Ask me about the Annual Meeting and how you can become involved with CSEA.

There are a lot of Members who have participated and given support for many years. We appreciate their continued involvement. Where would we be without them? They have showed us how to support each other and we need to learn from them and reach even higher. I never thought I would be President of East Bay Association of Enrolled Agents. But I am honored and I accept the challenge to build this organization, and help us all reach for that Big Hairy Audacious Goal. I hope to hear from all of you.

NEW BOARD ELECTED

Per the requirements of the Bylaws, the following officers and directors for our 2008-2009 fiscal year were elected at the Annual Meeting on May 21, 2008:

President:	Peggy Hall EA
1 st Vice President:	Walter Nygaard EA, etc
2 nd Vice President:	Don Wayne EA
Secretary:	Gail Nanbu EA
Treasurer:	Tim Hintzoglou EA
Director 2008-2009:	Dagmar Bedard EA
Director 2008-2009:	Lonnie Gary EA
Director 2008-2009:	Ravi Sundarraj EA
Director 2008-2010:	Cherry Comstock EA
Director 2008-2010:	Bob Olsen EA
Director 2008-2010:	Chris Christopherson EA

ASK THE ATTORNEY

(Attorney Frank Acuña answers questions frequently asked by our clients (and us). These are general answers and are NOT legal advice. For clarification or other questions, contact Frank at (925) 906-1880 or at ohc@aclawnet.com)

My husband and I invested in real estate over the past years. We now have a number of rental investments, but I no longer want to manage them. I have heard that I might have to pay a lot in taxes if I sell them. What should I do?

There are a number of options which allow real estate investors to avoid capital gains taxes. Consider a §1031 exchange, installment sale, or charitable remainder trust. If you wish to keep your investment real estate, but do not want to manage it, ask an attorney to help you with management contracts for professional managers, as well as trusts or family limited partnerships to transfer management to your loved ones.

Should I give a copy of my living trust to a financial institution that demands it?

A living trust is a private document. However, many financial institutions require proof that a trust has been created. California law provides that a Certification of Trust may be given and that the financial institution is required to accept it. A good estate attorney will create a Certification of Trust for you whenever a trust is created.

CHAPTER OFFICE HAS MOVED

Effective immediately, the new address is 30100 Mission Blvd, Suite 6, Hayward 94544. The contact phone remains the same at 800-617-1040, and the new local number is 510-487-2063. The old local number 925-691-1866 has been disconnected. The new fax number is 510-487-1501.

The email address remains ebaea@ebaea.org.

****PLEASE UPDATE YOUR RECORDS****

Small Group Tax Meetings

Antioch /Brentwood Fridays 8:00am
Brentwood Café, 8500 Brentwood Blvd, Brentwood
Ken Seamann EA (925) 634-8297

Oakland/Berkeley 3rd Fri 10:30am
Park Avenue Grill, 4184 Piedmont Ave at Linda, Oakland
Philip Fiegler EA (510) 530-1174

Danville Area 4th Tue 9:30am
Pascals French Oven, 155 Railroad Ave, Danville
Michael Power EA (510) 366-8836

Livermore Area Fridays 8:45am
Rock House Café on Portola Ave, Livermore
Richard Goudreau EA (925) 606-6672

Castro Valley 3rd Tue 8:00am
Carrow's, 2723 Castro Valley Blvd @ Lake Chabot, CV
Dagmar Bedard EA (510) 537-3883

South Alameda County 1st Wed 9:30am
Dino's, 1 block W of I-880 on Industrial Blvd, Hayward
Sal Romo EA or Walt Thomas EA (510) 487-1691

Want a group in your area? Contact any of the above leaders for advice and assistance.

DINNER SUBSCRIPTIONS AVAILABLE

With the beginning of our new fiscal year, we are once again offering the popular dinner subscription. This plan grants you automatic reservation at all 11 Chapter dinner meetings for one locked-in price, so you are immune to any price increases due to different venues, additional CE offered, etc. You pay for nine regularly-priced meetings (\$315) and get all eleven dinners (value \$385).

This plan is only offered through our August meeting and takes your summer vacation into consideration. Enrolling before the July meeting assures you all eleven meetings for \$315. Enrolling after the July meeting but before the August meeting assures you ten meetings for \$315, which still gives you a free dinner.

To enroll, either sign up online now or use the enclosed form to send a check so the Chapter Office receives it at least a week before the meeting which starts your subscription or sign up online as normal and bring a check for the remaining amount to the dinner meeting.

If you cannot make a meeting, please contact the Chapter Office at 800-617-1040 or at ebaea@ebaea.org and cancel or say who is attending in your place. There are no refunds for dinners not used.

IRS PRIORITY TELEPHONE LINES

Practitioner Priority Service	(866) 860-4259
IRS Individual Tax Help Line	(800) 829-1040
Business & Specialty Tax Line	(800) 829-4933
e-Help (Practitioners only)	(866) 255-0654
Refund Hotline	(800) 829-1954
Forms & Publications	(800) 829-3676
National Taxpayer Advocate	(877) 777-4778
EFTPS	(800) 555-4477
TeleTax Topics & Refund Status	(800) 829-4477
Forms 706 & 709 Help Line	(866) 699-4083
Employer Identification Number	(800) 829-4933
Excise Tax & Form 2290	(866) 699-4096
Information Return Reporting	(866) 455-7438

More IRS info available at www.irs.gov

For the complete 2008 FTB Directory, go to:

<http://www.ftb.ca.gov/forms/misc/1240.pdf>

CHAPTER PLANNING RETREAT

Have you ever wondered what motivates the folks who step up to help run the Chapter? They get no special favors from IRS, there is no free wine bar, and the rumors of the secret double mocha latte recipe have no basis in fact. Nope, they do it because they really do get more out of it than they put in. You can find out for yourself by joining them at the no-risk, no-obligation Chapter Planning Retreat at the Dublin Radisson from 9am til 3pm on Saturday, June 21. You'll even get free coffee and lunch! Contact the Chapter Office at (800) 617-1040 or ebaea@ebaea.org for more details.

BULLETIN ADVERTISING POLICY

by Duncan Sandiland, Bulletin Editor

To encourage more Members to use the Bulletin to fill their needs, we present the Bulletin advertising policy:

- 1) All Bulletin notices are run for three months maximum. If you wish to run a notice for a longer period, you must resubmit it.
- 2) Maximum notice size is 1.5 column inches. This equals a space one and one-half inches high by one column (3.5 inches) wide. The standard Bulletin font is Times New Roman 11 point.
- 3) The Bulletin Editor reserves the right to edit any notice for style, content and length.
- 4) All notices must be submitted (and payment received) by the 25th of the month prior to initial publication. Send the desired text to: bulletin@ebaea.org
- 5) Member notices seeking or offering employment, clients or EA-practice-related matters are run at no charge as a Member benefit. This includes an ad run by a firm which employs a Member. Member notices offering other services or products, and all non-Member notices are run at the standard fee of \$150 for the three-month insertion. The Bulletin Editor reserves the right to modify or reject any notice which, in the sole opinion of the Editor, violates any of the principles of EBAEA.

SAVE THE DATES!

Tax Talk 2008 will be held on November 5th, 6th and 7th, 2008 at the Radisson Hotel Dublin. Our program is now complete and we have confirmed Mel Kreger on November 5th presenting My Very First 1041, and My Second, and My Third..., followed by Frank Acuna in the afternoon presenting Trust Administration and Funding Trusts. We are also bringing back Gary McBride with Tom Daley on November 6th presenting our Federal & California Updates. Friday morning we open with Lloyd Kendall, founder of Lawyers Asset in San Leandro, 1031 expert & author, former IRS agent, presenting 1031's. Then we have 2 hours ethics with Jim Southward of the Golden Gate Chapter, and in the afternoon, Bryan Gates is presenting recent trends in audits for four hours.

Wednesday afternoon features Frank Acuna showing up how to tiptoe through the potential minefields our clients set up with all those trusts. First, Frank will cover the basics of how to actually administer the critters (because the attorney is long gone and the broker is clueless, so guess who's left to deal with this?). Then, Frank will clue us in on how to fund the trusts, and highlight some of the danger zones where trust law forces us to treat things differently than we're used to under tax law. You can't afford to miss this!

Please feel free to email Diane Jaworski-Faulhaber at synergvf@pacbell.net with any questions. See you in November!

CALENDAR OF EVENTS

June 2008

- 18 EBAEA Dinner Meeting
@ Radisson Hotel, Regional St, Dublin
- 21 Chapter Planning Retreat
@ Radisson Hotel, Regional St, Dublin
- 26 CSEA Annual Meeting (Sacramento)

July 2008

- 16 EBAEA Dinner Meeting
@ Radisson Hotel, Regional St, Dublin

August 2008

- 20 EBAEA Dinner Meeting
@ Radisson Hotel, Regional St, Dublin

HMMMM...

The S&P 500 lost \$1.4 trillion of market value during the first quarter of 2008. As of 3/31/08, the stock index had a total market capitalization of \$11.5 trillion. Just 20 years ago (3/31/88), the total market capitalization of the entire S&P 500 was \$1.8 trillion. (S&P)

More than half (52%) of the oil the US imports comes from the 4 countries of Canada, Saudi Arabia, Mexico and Venezuela. (Energy Information Admin.)

More Americans believe it is harder to start planning for their retirement (30% of those surveyed) than it is to begin a diet (28%). 23% of the 1,000 people surveyed have done no retirement planning. (Bank of America)

Only about 16% of all Forms 1040 show adjusted gross income of at least \$100,000, but those returns pay 72% of all federal income tax. (IRS)

The current unemployment rate in the US is 5%. The unemployment rate in the 15 nations that use the euro (the Euro-zone) is 7.1%, the lowest ever recorded since the euro was introduced in January 1999. (DOL)

There are 55 million homeowners who have mortgages on their properties. Subprime mortgage (either ARM or fixed) make up just over 7 million of the 55 million total. Only 4 million of the 55 million mortgage holders (about 7% of all mortgages) are currently delinquent on their monthly payments. (Wall St Journal)

HUMOR

If a person is an economic being and figures out the odds, then there is a very high incentive to cheat. That is, of course, putting aside honor, duty and patriotism. Jerome Kurtz, former Commissioner, Internal Revenue Service

Tony died and was sent to be judged. He was told that he had cheated on his income taxes, and that the only way he could get into heaven would be to sleep with a stupid, butt-ugly woman for the next five years and enjoy it. Tony decided that this was a small price to pay for an eternity in heaven. So off he went with this woman, pretending to be happy. As he was walking along, he saw his friend Carlos up ahead. Carlos was with an even uglier woman than he was with. When he approached Carlos he asked him what was going on, and Carlos replied "I cheated on my income taxes and scammed the government out of a lot of money." They both shook their heads in understanding and figured that as long as they have to be with these women, they might as well hang out together to help pass the time. Now Tony, Carlos, and their two beastly women were walking along, minding their own business when Tony and Carlos saw their friend Jon up ahead, with an absolutely drop dead gorgeous supermodel. Stunned, Tony and Carlos asked Jon how is he with this unbelievable goddess, while they were stuck with these awful women. Jon replied "I have no idea, and I'm definitely not complaining. This has been absolutely the best time of my life. There is only one thing that I can't seem to understand. After every time we have sex, she rolls over and murmurs to herself, 'Damn income taxes!'"

2008 - 2009 Board of Directors and Committee Chairs

Web Page <http://www.ebaea.org>

President: Peggy Hall EA	925-388-1040	Disaster Services: Janet Bridges EA	510-505-0818
1st VP: Walter Nygaard EA, etc	510-547-0440		
2nd VP: Don Wayne EA	925-472-0990	Education Committee, (1st VP)	
Treasurer: Tim Hintzoglou EA	925-930-7737	Chair: Walter Nygaard EA, etc	510-547-0440
Secretary: Gail Nanbu EA	925-943-3993	Inter-chapter Liaison:	
Immed Past Pres: Thomas Johnston EA	925-828-4500	Tax Talk: Diane Jaworski-Faulhaber EA	510-538-0948
Director 2008-2009:		Program: Cherry Comstock EA	925-778-0281
Dagmar Bedard EA	510-537-3883	Bob Olsen EA	925-837-8329
Lonnie Gary EA, USTCP	650-559-5124	Scholarship: Pam Bayer	925-356-5645
Ravi Sundarraj EA	925-984-1219	Continuing Ed: Joanne Anderson EA	925-938-9086
Director 2008-2010:		Town Hall: Ravi Sundarraj EA	925-984-1219
Cherry Comstock EA	925-778-0281	SEE Class: Thomas Johnston EA	925-828-4500
Bob Olsen EA	925-837-8329	Mini Seminar Team:	
Chris Christopherson EA	925-786-7660		
CSEA Directors: Walter Nygaard EA	510-547-0440	Administration Committee (IPP)	
Don Wayne EA	925-472-0990	Chair: Thomas Johnston EA	925-828-4500
IRS Practitioner Panel: Phil Fiegler EA	510-530-1174	Financial Review: Dick Goudreau EA	925-606-6672
		Bylaws/SOP: Sal Romo EA	510-487-1691
		Budget & Finance:	
Communication Committee, (2nd VP)		Chapter Office: Lonnie Gary EA, USTCP	650-559-5124
Chair: Don Wayne EA	925-472-0990	Legislative: Chris Christopherson EA	925-786-7660
Membership: Pam Bayer	925-356-5645	Nominating: Thomas Johnston EA	925-828-4500
Outreach:		Strategic Advisory:	
Public Affairs: Dagmar Bedard EA	510-537-3883	Bulletin: Duncan Sandiland EA, etc	925-691-1040
Social Affairs: Gail Nanbu EA	925-943-3993	Tax Agency Liaison:	
Practice Preservation: Linda Fox EA	925-846-5913		

EAST BAY ASSOCIATION OF ENROLLED AGENTS

30100 Mission Blvd, Suite 6

Hayward CA 94544

(800) 617-1040 or (510) 487-2063 fax (510) 487-1501

email: ebaea@ebaea.org

East Bay Association of Enrolled Agents
Annual Report 2007-2008 Year
by Thomas Johnston, EA, Immediate Past President

The planning for the year began with meetings with the incoming President and vice presidents discussing and setting goals. This was followed by President's Training at the CSEA Annual Meeting and then a Chapter Retreat for the chapter officers, board members, committee chairs and past presidents.

President Johnston set the theme for his administration as *Remember the Legacy and Accept the Opportunity to Serve with Purpose*. He then gave his President's Charge for the year with general goals for the chapter as well as specific goals for the Administrative, Communication and Education Committees.

The agenda for each Board of Director's meeting began with the Core Purpose, Values, and BHAG for the chapter listed followed by the President's Theme. Each President's message in the monthly newsletter was written around the President's Theme.

Many of the goals set for the year were accomplished, and some are started and will be completed in coming years. Among the Administrative goals accomplished was the establishment of a new chapter office, review and adoption of the addendum to the CSEA Affiliation Agreement, the timely submission of reports to the chapter and CSEA by the Secretary and Treasurer, our corporate tax return has been filed, and the amendment of the Standard Operating Procedures allowing reimbursement of travel expenses for chapter committee chairs to attend CSEA committee meetings relevant to their committee responsibilities. We will soon have our SOPs updated and our financial review completed.

Among the Communication goals accomplished were the holding of a Member Orientation Session, implementation of the Business Preservation Program, revitalizing the Disaster Preparedness Committee, continuing excellence in Public Affairs Programs, continuing the popular raffle which raises money for PIA projects, and continuing the popular breakfast meetings held in several locations in the chapter area. A letter was sent to all chapter members allowing them to request a mailed copy of the chapter newsletter if they were not able to retrieve it from the internet and provision was made to mail it to them monthly. *The Bulletin* editor greatly enhanced the monthly newsletter with interesting articles and continued his timely news e-mail "alerts." A start was made in updating the chapter website, but much remains to be accomplished.

The education committee continued with excellent and relevant monthly speakers, successful summer and fall seminars, participation in the IRS Town Hall Meeting, and a resumption of preparation classes for the Special Enrollment Exam. Three students attended the SEE Class with CSEA scholarships; with three more students currently being considered for scholarships. Several members were VITA instructors. Members of the education and administrative committees combined their efforts and found a new location for our dinner meetings, SEE classes and seminars when our prior location suddenly announced it was closing for remodeling.

Many people were responsible for the above. Several of our members served at CSEA and NAEA. Of special note two of our members, Lillian Lea, EA and Lonnie Gary, EA, were recognized by CSEA with the Distinguished Service Award.

This year was a special year when we truly *Remembered the Legacy and Accepted the Opportunity to Serve with Purpose*.



EAST BAY ASSOCIATION OF ENROLLED AGENTS

30100 Mission Blvd, Suite 6
Hayward CA 94544
PHONE 800-617-1040
FAX 510-487-1501
ebaean@ebaean.org

2008-2009 DINNER SUBSCRIPTION

Prepaid reservation at all eleven chapter dinner meetings from July 2008 through June 2009 for one price.

No increase in price for different venue or additional CPE.

Check one:

_____ Beginning now **eleven** dinner meetings for the price of nine (\$395 value for \$315)

_____ Beginning July 17 **ten** dinner meetings for the price of nine (\$360 value for \$315)

No subscriptions after August 20 accepted.

Enclose your check payable to: **East Bay Association of Enrolled Agents** and mail to the above address:

Name: _____

Address: _____

Phone: _____

2008 SPECIAL ENROLLMENT EXAM PREPARATION CLASSES

Presented By
EAST BAY ASSOCIATION OF ENROLLED AGENTS

Part 1 – Individuals Dates: July 12, 19, 26 CPE 18 hrs*
Break to take exam on Part 1 if you wish.

Part 2 – Businesses Dates: Aug 16, 23, Sep 6, 13, 20 CPE 30 hrs*
Break to take exam on Part 2 if you wish.

Part 3 -- Representation, Practice, Procedures Dates: Oct 11, 18
CPE 12 hrs* *Take exam on Part 3. *See pg 2 for CPE Info*

Time: **Saturdays 9:00 AM to 4:00 PM** (Lunch is on your own)

Location: **Radisson Hotel**, 6680 Regional St, Dublin CA 94568

Instructors: Experienced Enrolled Agents & Former IRS Instructors

Class Fees:

All three parts - \$635

Early bird discount by June 20 - \$585

Separately - Part I \$235, Part II \$385, Part III \$160

Text Books are included in class fee

Register online at: www.123signup.com/calendar?Org=ebaea

Information: Tom Johnston at 925-828-4500 or taxtomea@comcast.net

Scholarships: See CSEA and NAEA Websites for information.

To apply for Enrollment: www.irs.gov/taxpros/agents

To schedule exam: www.prometric.com/irs