LOEB & LOEB LLP

High Net Worth Family TAX REPORT

LOEB & LOEB adds Knowledge.

DECEMBER 2010

CONTENTS

Be Prepared for Possible Tax Legislation

The Republican House and Senate gains in the recent elections increase the likelihood that we will see legislation before the end of the year extending in some manner the Bush tax cuts. There is increasing talk and speculation that the current tax rates of 15% for capital gains and qualified dividends and 35% for ordinary income may be preserved for one to three more years. While President Obama still believes the current rates should be made permanent for couples earning less than $250,000 per year, the Republicans are refusing to allow that issue to be considered separately from the rates for higher income taxpayers. In order to insure that rates do not increase on January 1 for those taxpayers earning less than $250,000 per year, the President may have to agree to a temporary extension of the current rates for all taxpayers.

This debate over income tax rates seems to have pushed any estate tax legislation to the back burner for the moment, but you never know what might happen. The current Congress is expected to adjourn around December 17th so anything that is going to happen will happen by then. We will circulate a summary of anything that does get enacted within a few days of the time it happens, so stay tuned.

Favorable GRAT Climate Continues – for Now

The stars continue to be aligned for Grantor Retained Annuity Trusts ("GRAT"), at least for now. The IRS recently announced that the discount rate applicable to GRATs created in the month of December 2010 will be a historic low 1.8%. If the assets contributed to a GRAT generate a return of more than this amount over the term of the GRAT, there will be a remainder for the beneficiaries when the annuity term expires.

Rates will eventually start to go back up, and when Congress gets around to estate tax reform, it is possible that one of the things it may do is impose a 10 year minimum term on GRATS. It is still possible to create a new GRAT before the end of the year, but only if you contact us immediately.

IRS Addresses Theft Loss Deductions for IRA and Charitable Trust Investments in Ponzi Schemes

On September 24, 2010, the IRS released a letter (the "Letter") addressing the availability of tax deductions for Ponzi scheme losses relating to assets held in individual retirement accounts ("IRAs") or similar tax-deferred investment vehicles and assets held by charitable trusts. The Letter refers to Revenue Ruling 2009-9 for the general tax treatment to investors who lost money in Ponzi schemes and to Revenue Procedure 2009-20 for an optional safe harbor relating to deductions by qualified investors who lost money in Ponzi schemes.

Revenue Ruling 2009-9 generally provides that, among other things, investors who lost money in Ponzi schemes are entitled to theft loss deductions, which are generally deductible in the taxable year the investor discovers the loss or in the taxable year in which there is no reasonable prospect of recovery, whichever is later. Revenue Procedure 2009-20 generally provides a safe harbor under which the IRS will not challenge the timing of a theft loss deduction taken by a qualified investor who lost money in a Ponzi scheme in the taxable year in which authorities charge the perpetrator for the theft, provided the investor complies with certain requirements.

The Letter explains that the Internal Revenue Code generally limits a taxpayer's loss or other deduction to the taxpayer's cost or other basis to prevent multiple deductions or exclusions for the same amount. Accordingly, if a taxpayer has basis in a tax-favored retirement plan or IRA (e.g., because the taxpayer made after-tax contributions to an IRA), the taxpayer is entitled to a deduction to the extent of any unrecovered basis after the distribution of the taxpayer's entire interest in the plan or IRA. In the case of an IRA, the total amount in all of the taxpayer's traditional IRAs or all of the taxpayer's Roth IRAs, as applicable, must have been distributed. However, if a taxpayer has no basis in the retirement plan or IRA, the taxpayer may not claim a deduction for the loss in such plan or IRA. Permitting taxpayers to take a loss deduction for amounts already deducted or excluded from gross income would provide those taxpayers with a double benefit (two deductions or a deduction and exclusion) for the same dollars, and would put those taxpayers in a more favorable tax position than other taxpayers who have the same losses outside of a retirement plan or IRA. The Letter also clarifies that only charitable trusts (and not their beneficiaries) may deduct theft losses for amounts that Ponzi scheme perpetrators stole from the trusts.

Estate Allowed Valuation Discount for 100% of Expected Corporation Taxes on Built-In Gain

The value of the stock of a corporation that owns appreciated assets is less than the value of those assets. The reason is that when the corporation eventually sells those assets, it will have to pay tax on the resulting gain and the shareholders will receive upon liquidation of the corporation only the amount remaining after the taxes are paid. If the shareholders wish to sell their stock before the corporation sells its assets, a buyer normally will impose a discount for the eventual corporate taxes.

Taxpayers have long struggled to convince courts that where stock of a corporation is being valued for estate or gift tax purposes, these prospective taxes on the built-in gain should be taken into account. The first taxpayer success occurred in 1998 in *Estate of Davis*, where the Tax Court allowed some discount for taxes on built-in gains. In *Estate of Dunn*, decided in 2002, the United States Court of Appeals for the Fifth Circuit for the first time allowed a discount for 100% of the taxes that would be incurred by the corporation upon a sale of its assets. The court said that in order to properly value the stock of a corporation, you have to assume that its assets will be sold. It over-ruled the Tax Court's previous determination that only a portion of the potential taxes should be taken into account.

This issue recently came to the Tax Court again in *Estate of Marie J. Jensen*. The estate argued for a 100% discount and the IRS tried to calculate a discount based on the relationship between the net asset values and stock prices of closed end mutual funds. The Tax Court did not follow either of these approaches. Instead, the court forecast a future sale. It assumed an appreciation rate for the assets for an additional number of years and then applied a discount rate to determine the present value of the taxes that would be payable on the future sale.

However, because it used the same assumed rate for both the future asset appreciation and the discount of the future taxes, it derived roughly the same amount the estate was advocating. For our readers who are math fans, you remember that where the growth rate and discount rate are the same, the present value and future value will also be the same for any time period you want to assume.

Although it went through a bit of a tortured analysis, the Tax Court has now approved a discount for 100% of built-in gain taxes. Hopefully, this is a battle the IRS will eventually stop fighting.

New York Increases Taxes

In August, the State of New York enacted legislation that will result in higher income taxes for many. Except as otherwise noted, the changes are retroactive to January 1, 2010. The most important changes are summarized below:

New York City Personal Income Tax. The City of New York imposes its own income tax on individual residents of New York City ("NYC"), in addition to the New York State income tax. Until this year, the top NYC rate was 3.648% for NYC taxable income in excess of $90,000. The legislation adds a new rate of 3.876% for individuals with NYC taxable income over $500,000.

New Source Rule for Income Received by a Non-resident Related to a Business Previously Carried on in New York. New York has made a significant change to its rules for determining the income of a non-resident individual who is subject to the New York income tax. For tax years beginning on or after January 1, 2010, income of a non-resident related to a business, trade, profession or occupation previously carried on in New York, whether or not as an employee, is considered New York source income and subject to the New York income tax. The provision covers income such as payments under a covenant not to compete and employment termination payments. Income from a business previously carried on in New York includes a non-resident individual's share of income from a partnership, (including a limited liability company taxed as a partnership) or S corporation that conducted business in New York.

Previously, such income was sourced to the non-resident's state of residence. For example, assume a New Jersey resident works in New York as an employee of a New York business. Upon the termination of his employment he enters into an agreement which for two years prohibits him from working for any business within 100 miles of his former employer that is a competitor of the former employer. Prior to 2010, any payments he received under this agreement would have been sourced in New Jersey and not subject to New York State income taxes. Beginning in 2010, such payments are sourced in New York for New York income tax purposes, where he previously worked, and therefore are subject to New York income tax. This is the case even if the agreement pursuant to which the payments are being made was entered into before 2010.

New Source Rule for S Corporation Deemed Asset Sales. When the shareholders of an S corporation sell their stock to a corporate buyer, the sellers and the buyer can make a joint election under IRC Section 338(h)(10) to treat the transaction as though the S corporation sold its assets and then liquidated. This allows the buyer to get a stepped-up basis in the assets, even though it purchased stock.

New York recognizes this provision for New York S Corporations but, as a result of the 2009 Tax Appeal Tribunal decision in *Baum*, was forced to source such income for a non-resident seller, as though it was a stock sale. A non-resident of New York who sells stock of a corporation engaged in business in New York does not have to pay New York income tax because New York treats the gain on the sale as having its source in the taxpayer's state of residence. That meant that even when a stock sale was accompanied by a Section 338(h)(10) election, the non-New York resident did not have to pay any New York income tax on his gain.

The new legislation overturns *Baum*, so that now when such an election is made in connection with the sale of stock of a New York S corporation, the deemed asset sale portion of the transaction is treated as though it was an actual asset sale for New York sourcing purposes. As a result, a non-resident shareholder must pay New York income tax on the New York business allocation percentage of any gain arising upon the sale of those assets. Note, this change is retroactive to January 1, 2007, and could affect sales you have already made. The deemed liquidation portion of the transaction, however, is not affected. Any loss on that portion is not New York source income for a non-resident shareholder and therefore cannot offset any portion of the deemed asset sale gain in New York.

Deferral of certain tax credits. For 2010 through 2012, business tax credits can only be used to reduce New York State income tax by $2,000,000. The excess over $2,000,000 in any year is deferred without interest. Taxpayers must take the deferral into account when computing their estimated tax payments (including treating the provision as if it were in effect for 2009).

Itemized deductions further limited for some taxpayers. New York severely limits itemized deductions for high income individuals. For an individual with New York adjusted gross income in excess of $1,000,000, the only itemized deduction permitted is 50% of the amount of the individual's federal charitable contribution deduction. Under the new law, for tax years 2010 through 2012, for an individual with more than $10,000,000 of New York adjusted gross income, the amount allowed is halved again, to 25% of the amount of the individual's federal charitable contribution deduction. Estimated payments for 2010 must be adjusted as though the provision was in effect in 2009 although no penalty will be applied to the April and June payments if any underpayment is made up by the September payment. This is clearly a revenue raising and budget balancing measure.

Sales tax on clothing. New York State revised its $110 exemption on the sale of clothing and footwear as follows:

Period	Exemption
October 1, 2010 – March 31, 2011	No exemption
April 1, 2011 – March 31, 2012	$55 exemption
Beginning April 1, 2012	$110 exemption

Out-of-state sellers. The new legislation retroactively narrowed the definition of a vendor, that is, a person required to collect New York sales tax. For sales on or after June 1, 2009, an in-state affiliate that only provides accounting or legal services or advice to an out-of-state seller, or directs the activities of an out-of-state seller (including but not limited to making decisions about strategic planning, marketing, inventory, staffing, distribution or cash management), will not cause an out-of-state seller to be a vendor for New York sales tax purposes.

California Further Suspends NOL Deductions Through 2011

As part of the budget bill, the Legislature suspended net operating loss ("NOL") deductions for the 2010 and 2011 tax years. The deduction previously had been suspended for the 2008 and 2009 tax years. An NOL that is suspended may be carried forward 20 years plus an additional one, two, three or four years depending on if the loss was denied for 2008, 2009, 2010 or 2011, respectively. In addition, NOLs attributable to taxable years beginning on or after January 1, 2013, may be carried back up to two years (i.e., to taxable years beginning on or after January 1, 2011).

Another Taxpayer Fails in Attempt to Sell Personal Goodwill

In our last edition, we reported on the United States District Court case *Howard v. United States*, in which a dentist with a professional corporation attempted to sell his practice and allocate most of the consideration to "personal goodwill." If the C corporation sold its assets, the corporation would pay tax on the gain and Dr. Howard would pay tax on the remaining proceeds he would receive when the corporation liquidated. To avoid this problem while still allowing the buyer to purchase an asset it could amortize for tax purposes, the parties structured the transaction as a sale of Dr. Howard's personal goodwill, i.e., his relationship with his patients. As we reported, this failed because the court determined that any goodwill that might exist belonged to the corporation.

Now the Tax Court has also shot down a taxpayer's attempt to sell personal goodwill in *Kennedy v. Commissioner*, decided in September. The taxpayer owned a C corporation engaged in employee benefits consulting. The seller and buyer ended up with three agreements. The first agreement was for the sale to the buyer of the taxpayer's personal goodwill. The price was largely formula-based but intended to be approximately 75% of the total consideration. The parties' projections estimated that the total payments for goodwill could range between about $450,000 and $520,000. The second agreement was for consulting services and a covenant not to compete. Again, the payments were largely formula-based but expected to range between $150,000 and $175,000 for five years of services. This agreement included a two year covenant not to compete after the consulting agreement terminated. Finally, the corporation agreed to sell its assets to the buyer for $10,000.

In the Tax Court, the IRS again argued that any goodwill was owned by the corporation rather than by the shareholder so the shareholder could not have sold it. It also argued that the taxpayer had not produced any appraisal of the goodwill to prove that he actually owned a goodwill asset. The Tax Court found that while personal goodwill can exist (it cited several cases where personal goodwill had been found to exist), in this case there was no personal goodwill sold by the taxpayer. The court was greatly influenced by the taxpayer's apparent greed in attempting to allocate 75% of the total consideration to goodwill. The court felt such allocation had no economic reality because the allocation seriously under-valued the taxpayer's services and his agreement not to compete with the buyer. The Tax Court smelled a tax gimmick and did not allow it. The court held that the amounts received by the taxpayer were for consulting and the promise not to compete with the buyer. This resulted in the taxpayer having ordinary income rather than capital gain.

As had the taxpayer in Howard, the taxpayer here relied on the Tax Court's prior case *Martin Ice Cream Co. v. Commissioner* for support. The court distinguished *Martin*, saying that what was at issue in that case was whether the corporation should be treated as having sold the goodwill that was purportedly sold by the taxpayer. The court found that the shareholder rather than the corporation owned any goodwill so the corporation could not be treated as selling it. The court went on to point out that the tax treatment of the shareholder was not an issue in front of the court; only that of the corporation. Therefore, the court in *Martin* did not have to decide if part or even all of the consideration received by the shareholder for the sale of goodwill was for something else.

Neither the District Court in *Howard* nor the Tax Court in *Kennedy* said that personal goodwill cannot exist. However, it is clear that the taxpayer has a high bar to jump over in proving he has personal goodwill. It appears that an appraisal will be needed and the taxpayer will have a better chance if he does not attempt to allocate the majority of the total consideration to the goodwill. Since two of these cases came out in two consecutive months, it makes us wonder if the IRS has begun a litigation vendetta against personal goodwill similar to the war it has waged on family limited partnerships. Time will tell.

The court's reaction to the attempted tax planning here provides a valuable lesson. No matter how much statutory and/or case law you may have on your side, if you present something in court that most people would not think is reasonable, or would never have agreed to do but for the attendant tax benefit, you are most likely going to have a very difficult time selling it to the judge. Tax planning must be shaped to fit the underlying business transaction. You usually cannot shape the business transaction to fit the tax planning.

IRS Rules that Home Equity Indebtedness Can be Part of Debt Used to Purchase Home

In Revenue Ruling 2010-25, the IRS issued a taxpayer friendly interpretation of the rules permitting an income tax deduction for certain home mortgage interest. The Internal Revenue Code permits a deduction for interest on two kinds of debt incurred in connection with a home. First, interest can be deducted on up to $1,000,000 of debt incurred to acquire, construct or substantially improve the taxpayer's principal residence and one other residence. Second, the Code also permits a taxpayer to deduct interest on up to $100,000 of home equity indebtedness. This is any debt other than acquisition indebtedness that is secured by the residence.

Previously, in *Pau v. Commissioner*, the Tax Court had held that if a taxpayer incurred debt of $1,100,000 (or more) to purchase his home, he could only deduct interest on $1,000,000. The extra $100,000 did not qualify as home equity indebtedness because it was incurred to acquire the home and thereby excluded from the definition of home equity indebtedness.

The IRS has now decided that the Tax Court's interpretation was too restrictive. It has stated that no debt in excess of the permitted $1,000,000 is treated as "acquisition indebtedness." This means that the first $100,000 of additional debt can be home equity indebtedness, even if incurred to purchase the home. The bottom line of Revenue Ruling 2010-25 is that you can deduct interest on the first $1,100,000 of debt you incur to purchase a home.

Gift Tax Annual Exclusion Unchanged for 2011

The IRS has announced that the annual exclusion for present interest gifts will remain at $13,000 per donee in 2011. The exclusion is inflation adjusted but since there has not been any inflation, there is no adjustment. You can give an unlimited amount of gifts to your spouse who is a United States citizen and not incur any gift tax liability. However, if your spouse in not a United States citizen, you can only give a fixed amount of gifts each year without incurring a gift tax. In 2011, the amount is $136,000, which is $2,000 more than in 2010.

Court of Appeals Reverses Part of IRS Victory in Gift with Retained Interest Case

Gifts that you make during your lifetime may be subject to a gift tax, but they are not included as a part of your estate for estate tax purposes if you really part with the property that is the subject of the gift. The Internal Revenue Code has a few provisions that draw gifts back into a decedent's estate if he gave them away with "strings" attached. One such provision is Section 2036 which includes in a decedent's estate assets transferred during the decedent's lifetime without consideration when the decedent retained the right to possess or enjoy the property or the right to receive income from the property. This was the issue in the case of *Estate of Margot Stewart v. Commissioner*. Mrs. Stewart owned a five-story building in New York City. She and her adult son lived on two of the floors and the other three floors were rented to a commercial tenant. Mrs. Stewart made a gift to her son of an undivided 49% interest as a tenant-in-common in the building. Following the gift, she still received all of the rent from the tenant and paid most of the expenses associated with the building.

After Mrs. Stewart died, the Tax Court held in 2006 that the entire 49% interest of the son was includible in Mrs. Stewart's estate under Section 2036 because she continued to receive the entire income that was produced by the property. Now, four years later, the United States Court of Appeals for the Second Circuit has partially reversed the Tax Court's decision. The Court of Appeals said that the Tax Court erred in including the entire 49% of the building given to the son. The court said that the building really had two parts: the part occupied by Mrs. Stewart and her son as their residence and the part rented to the tenant. The court said that as to the part rented, it should be included in Mrs. Stewart's estate because she retained the rent that the tenant paid. Even if she technically had no legal right to receive all of the rent, the fact that she received it and her son permitted her to receive it indicates she retained the possession and enjoyment over the portion of the property that was rented.

However, as to the two floors used as a residence, Mrs. Stewart did not retain any possession or enjoyment over the 49% she had given to her son. He lived there along with her and had full possession and enjoyment of his 49% interest in the residential portion of the building.

Even as to the rented portion, the Court of Appeals did not accept the Tax Court's finding that because the decedent received all of the rent, the entire value of the rented portion of the property should be included in her estate. The correct inquiry is how much of the net income she retained, not how much of the gross income she retained. The court pointed out that while the decedent paid most of the expenses of the property, the son also paid some of them and this must be taken into account in determining the apportionment of the son's interest in the property. The court also said that the Tax Court should take into consideration another property the decedent and her son owned together and whether the income and expenses from that property might be shared in a way such that between the two properties each party received the share of net income that corresponded with their ownership percentage.

The Court of Appeals remanded the case to the Tax Court to determine the portion of the value of the building that should be included in her estate for estate tax purposes.

Small Charities at Risk of Losing Tax Exemption

The IRS website has a list of organizations at risk of losing their tax-exempt status because, according to IRS records, they have not filed tax returns for 2007, 2008 and 2009. The list contains the name of the organization and its last-known address. Individual clients should avoid making non-deductible contributions to these organizations. Private foundations should avoid making non-qualifying grants to these organizations. This “List of Organizations at Risk of Automatic Revocation” may be found at www.irs.gov on the “Charities and Nonprofits” page. If you are not sure whether an organization's tax exemption is intact, call your accountant or us before making a contribution or a grant.

Tax Court Denies Business Expense Deduction for Costs Incurred Consulting for Businesses Partially Owned by the Taxpayer

The recent Tax Court case of *Estate of Roger Strangeland v. Commissioner* illustrates a problem faced by families that have interests in numerous businesses and investments. Before his death in 2004, Roger Strangeland and his wife had ownership interests in over 10 businesses. In most cases, they owned interests in the businesses with other third parties. Each of the businesses had its own management team in place. However, Mr. Strangeland spent considerable time working with the various businesses to enhance their profitability, and even hired someone, whom he paid personally, to assist him in that regard. Mr. Strangeland did not receive any fees or compensation from any of the businesses. He deducted the expenses he incurred in connection with these consulting activities on Schedule C of his income tax return.

The IRS denied the deduction because it said Mr. Strangeland’s consulting business was not entered into for profit, as evidenced by the fact that it generated no revenue. The taxpayer argued that the expenses were deductible because the expenses were incurred to enhance the value of Mr. Strangeland’s various business investments.

The taxpayer also argued that the expenses Mr. Strangeland deducted on Schedule C should be considered part of an undertaking that encompassed all of the other businesses.

The Tax Court rejected both of these arguments. It said that the activity of trying to make an investment more valuable is not a trade or business, relying on a prior Supreme Court case *Whipple v. Commissioner*. The court also rejected the argument that Mr. Strangeland’s consulting activities should be considered a part of all of the other businesses because each business had its own managers.

While the expenses incurred by Mr. Strangeland were not permitted as business deductions under IRC Section 162, they almost certainly would have been permitted as deductions under Section 212, which permits deductions for expenses incurred in connection with the production of income or in the management of property that is held for the production of income. The problem is that Section 212 deductions are treated on the tax return as miscellaneous itemized deductions. Under IRC Section 67, miscellaneous itemized deductions can only be deducted to the extent they exceed 2% of the taxpayer’s adjusted gross income. The taxpayer here did not even argue that the expenses were deductible under Section 212. This is probably because under the Section 67 limitation, miscellaneous itemized deductions would have been disallowed.

The taxpayer would have achieved a much better result if he had charged consulting fees to each of the businesses. If he received income for his consulting services, then his reasonable expenses should have been deductible. Each business that paid him a fee should also have been permitted to claim a business deduction for the fee. The tax law is indeed a “strange land.”

IRS Says Gains Recognized as a Result of the “Flash Crash” Must Be Reported

On May 6, 2010, the Dow Jones Industrial Average was already down more than 300 points at 2:42 PM Eastern time, mostly due to concern about the Greek debt crisis. What happened next is truly bizarre. A series of cascading events, probably set off by a computerized trading algorithm, caused the market to drop another 600 points over the next five minutes. By the time the market closed at 4:00

PM, most of this last drop had been recovered and the market closed for the day down 342 points. Why is a tax newsletter writing about this? Because the precipitous price drop triggered a lot of selling through stop-loss orders.

Suppose you had purchased a stock years ago at $10 per share and when the market opened on May 6, the stock was trading at $100 per share. Aware of your significant unrealized gain in the position, you had a stop-loss order in place to sell the stock if its price dropped to $80 or below. During the chaos that ensued, your stock dropped to $80 and your position was sold. By the end of the day, the price of the stock had rebounded to $100. The so-called "flash crash" not only cost you $20 on the value of the stock when your position was sold, to add insult to injury, it also triggered a tax gain of $70 per share. You lost money and have tax to pay!

The IRS was asked by someone whether it could formulate some kind of policy that would permit taxpayers who quickly re-established positions sold during the flash crash as a result of stop-loss orders to avoid having to report and pay taxes on their gain. In a letter dated September 24, 2010, the IRS explained that there are no provisions in the Internal Revenue Code which permit a taxpayer to not recognize his gains that were triggered during the flash crash. The IRS pointed out that this kind of relief would have to come from Congress.

High Net Worth Families Group

Los Angeles

JOHN ARAO	JARAO@LOEB.COM	310.282.2231
MARLA ASPINWALL	MASPINWALL@LOEB.COM	310.282.2377
LAURA B. BERGER	LBERGER@LOEB.COM	310.282.2274
LEAH M. BISHOP	LBISHOP@LOEB.COM	310.282.2353
DEBORAH J. BROSS	DBROSS@LOEB.COM	310.282.2245
TARIN G. BROSS	TBROSS@LOEB.COM	310.282.2267
REGINA I. COVITT	RCOVITT@LOEB.COM	310.282.2344
TERENCE F. CUFF	TCUFF@LOEB.COM	310.282.2181
LINDA N. DEITCH	LDEITCH@LOEB.COM	310.282.2296
PAMELA J. DRUCKER	PDRUCKER@LOEB.COM	310.282.2234
PAUL N. FRIMMER	PFRIMMER@LOEB.COM	310.282.2383
ANDREW S. GARB	AGARB@LOEB.COM	310.282.2302
RACHEL J. HARRIS	RHARRIS@LOEB.COM	310.282.2175
NOAH S. HELPERN	NHELPERN@LOEB.COM	310.282.2170
NEAL B. JANNOL	NJANNOL@LOEB.COM	310.282.2358
THOMAS N. LAWSON	TLAWSON@LOEB.COM	310.282.2289
JEFFREY M. LOEB	JLOEB@LOEB.COM	310.282.2266
ANNETTE MEYERSON	AMEYERSON@LOEB.COM	310.282.2156
DAVID C. NELSON	DNELSON@LOEB.COM	310.282.2346
RONALD C. PEARSON	RPEARSON@LOEB.COM	310.282.2230
ALYSE N. PELAVIN	APELAVIN@LOEB.COM	310.282.2298

Los Angeles *(continued)*

STANFORD K. RUBIN	SRUBIN@LOEB.COM	310.282.2090
MAHDI D. SALEHI	MSALEHI@LOEB.COM	310.282.2293
REBECCA M. STERLING	RSTERLING@LOEB.COM	310.282.2301
ADAM F. STREISAND	ASTREISAND@LOEB.COM	310.282.2354
STUART P. TOBISMAN	STOBISMAN@LOEB.COM	310.282.2323
NICHOLAS J. VAN BRUNT	NVANBRUNT@LOEB.COM	310.282.2109
GABRIELLE A. VIDAL	GVIDAL@LOEB.COM	310.282.2362
JOHN S. WARREN	JWARREN@LOEB.COM	310.282.2208

New York

MICHELLE W. ALBRECHT	MALBRECHT@LOEB.COM	212.407.4181
ELIOT P. GREEN	EGREEN@LOEB.COM	212.407.4908
JEROME L. LEVINE	JLEVINE@LOEB.COM	212.407.4950
LANNY A. OPPENHEIM	LOPPENHEIM@LOEB.COM	212.407.4115
LAURIE S. RUCKEL	LRUCKEL@LOEB.COM	212.407.4836
JOHN SETTINERI	JSETTINERI@LOEB.COM	212.407.4851
C. MICHAEL SPERO	CMSPERO@LOEB.COM	212.407.4045
MEGAN A. STOMBOCK	MSTOMBOCK@LOEB.COM	212.407.4226
ALAN J. TARR	ATARR@LOEB.COM	212.407.4900
BRUCE J. WEXLER	BWEXLER@LOEB.COM	212.407.4081
DANIEL M. YARMISH	DYARMISH@LOEB.COM	212.407.4116