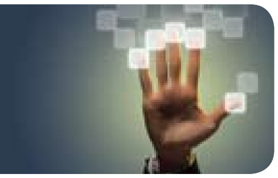
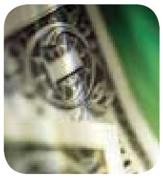
A Publication for Clients and Friends of Alpern Rosenthal

ALPERN ROSENTHAL
INSPIRING OPPORTUNITIES

The Leading Edge

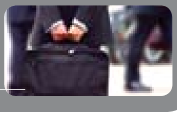
Economic Stimulus Act of 2008 Signed into Law

Overview

On February 13, President Bush signed into law the Economic Stimulus Act of 2008. This bill is designed to jump-start the U.S. economy by boosting consumer spending and business investment. The centerpiece of this $152 billion package is a program to provide tax rebates to an estimated 130 million Americans. The new law also includes $44.8 billion in business incentives, as well as help for homeowners facing foreclosure because of the mortgage crisis.

For businesses, the stimulus package will provide a 50% bonus depreciation deduction on new equipment in the year that it is placed in service; it also allows employers to fully expense $250,000 in both new and used tangible property in the year it is purchased.

Inside This Issue…



Rebates of up to $600 per individual and $1,200 per married couple will be available to single taxpayers with adjusted gross income less than $75,000 and couples filing jointly with adjusted gross income less than $150,000. The rebates will be phased out for taxpayers above those income thresholds. Those eligible will also receive a $300 tax credit per child.

Business Incentives

The new law provides two major benefits to businesses in 2008: an increase in the deduction allowed under Code Section 179, as well as bonus depreciation.

The new law nearly doubles the amount of depreciable tangible personal property that may be deducted when it is placed in service. In 2008, a business will be permitted to deduct a maximum of $250,000 under Section 179, and the threshold for reducing this deduction has been increased as well. As with prior law, this qualifying property must be used at least 50% for business purposes. Since these new limits apply to property purchased and placed in service in tax years beginning in calendar 2008, taxpayers on a fiscal year will not receive the benefit of the higher expensing limits until their new fiscal year begins.

The new law also allows taxpayers to deduct depreciation equal to 50% of the adjusted basis of qualifying property. Qualifying property includes the following: (1) property eligible for the modified accelerated cost recovery system with a depreciation period of 20 years or less; (2) off-the-shelf computer software; and (3) qualified leasehold property. The taxpayer must be the original user of this property. The property generally must be placed in service during calendar year 2008. The placed in


service date is extended one year, through December 31, 2009, for property with a recovery period of 10 years or longer and for transportation property. The new law also raises the limitation on depreciation of "luxury" automobiles; a maximum first-year depreciation amount of $11,060 may be deducted on automobiles purchased in 2008 for business use. This limit has also been raised to $11,260 for vans and trucks.

Rebates

The so-called "recovery rebates" are actually refundable credits to be received in advance during 2008, based upon information from the taxpayers' 2007 returns. These rebates are targeted primarily toward low and middle income individuals. For such individuals who actually pay income tax, the maximum rebate available is $600 ($1,200 for joint filers). Individuals who do not pay income tax, but have at least $3,000 in wages or other earned income (including Social Security and VA disability benefits) will receive a $300 rebate ($600 for joint filers). In addition to these basic

(Continues on Page 2)

Economic Stimulus Act of 2008 Signed into Law

(Continued from Page 1)

rebates, the new law provides for an additional payment of $300 per qualifying child.

The rebates begin to phase out at $75,000 of adjusted gross income (AGI) for individual filers and at $150,000 of AGI for married couples filing jointly. Rebates phase out at the rate of 5% of the amount exceeding the applicable AGI threshold. The $1,200 credit for joint filers, therefore, is completely phased out at $174,000 of AGI. For taxpayers who qualify for the additional rebates of $300 per child, the additional child rebate is added to the basic rebate for purposes of calculating the phase-out. This means that a married couple filing jointly with a combined AGI of $175,000 and two qualified children would receive a total rebate (after phase-out) of $550.

Individuals who are eligible to be claimed as dependents by another may not receive any rebates for themselves. This means that college-age dependents who have more than $3,000 in earned income from a summer job cannot become eligible for the $300 minimum credit, even if their parents forgo claiming them as dependents on their return.

The IRS has indicated that they expect to begin issuing the rebates in May.

Mortgage Assistance

In December, Congress enacted the Mortgage Forgiveness Debt Relief Act. Now Congress has followed up with more new legislation that is designed to provide relief to the depressed real estate sector, as well as a more accessible mortgage market for homeowners, by increasing the maximum mortgage amounts that government agencies may provide. This law raises the maximum principal amount for mortgages issued by the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Housing Administration (FHA).

For more information, contact your Alpern Rosenthal Tax Representative.



Non-Public Companies Granted Relief from Controversial Tax Accounting Rule

In July 2006, the Financial Accounting Standards Board imposed yet another set of controversial rules on non-public companies, their constituents and auditors. FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, was issued as an interpretation of FASB Statement 109, *Accounting for Income Taxes*, in an effort to improve the consistency of recognition thresholds and measurements for uncertain tax positions. While the goal of increased relevancy and comparability of financial reporting relating to uncertainty in income taxes is important, many non-public companies determined that additional time is necessary to understand the impacts of FIN 48 on pass-through entities and to understand how the rule's requirements enhance the usefulness of the disclosure requirements.

In recent years, non-public companies have continued to struggle to implement the complex requirements of accounting rules such as Statement 123R, *Share Based Compensation*, and Statement 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. Pronouncements such as these are often seen by non-public companies as improving the quality of financial reporting by public companies for the users of such information, but providing little utility for the users of private company information.

In March 2007, the Private Company Financial Reporting Committee announced its founding membership and charged them with providing further improvements to the FASB's current standard-setting process to better meet the financial reporting needs of private companies and the users of their financial statements. The primary objective of the Committee is to provide recommendations to the FASB that will help the Board determine whether and where there should be specific differences in prospective and existing accounting standards for private companies.

In September 2007, the Committee submitted a recommendation to the FASB to delay the implementation of FIN 48 for private companies for the reasons stated earlier. In what should be considered a "win" for this committee, on January 8, 2008, the FASB issued for exposure a Staff Position which would grant a one-year deferral of FIN 48 to allow additional time for private companies to become aware of the implications of the rule and address the issues relevant to private company financial statement users. The Committee asserted that many private companies do not have the resources to follow FASB proceedings and they often learn about new requirements like FIN 48 at continuing education sessions after the effective date. In addition, best practices are not in place as examples for private companies. The Committee also believed that because FASB Statement 109 does not specifically address pass-through entities, many private company financial statement preparers and their CPA practitioners are unaccustomed to accounting for income taxes and are unaware of the implications of FIN 48. This lack of awareness may ultimately result in less than ideal accounting consistency, comparability and financial reporting quality. The FASB approved the position in February 2008.

It is encouraging that the Private Company Financial Reporting Committee has had an early impact on the FASB's standard setting process. Continued committee involvement in the process will be critical in providing recommendations to the FASB that will help the FASB determine whether and where there should be differences in prospective and existing accounting standards for private companies.

For more information, contact:

F. Jeffrey Kovacs, Accounting and Audit Shareholder, at 412.281.2545 or jkovacs@alpern.com.

Hire People Who Accomplished Something Amazing

For Sales and Other Jobs, Look for Winners, in Any Aspect of Their Lives

Let's say you are looking for a sales executive to fill a position in your software company. Candidate A has a lot of contacts in your industry and has three years of software sales experience. Candidate B set the school record for the 5,000-meter run at her college. Which one do you hire? Unless Candidate A can show me a six-figure W-2 from his previous employer, I'll take my chances with Candidate B every time.

In his famous 17th century text, *A Book of Five Rings*, Miyamoto Musashi discusses how to become a great swordsman. He emphasizes the discipline, sacrifice and practice involved in mastering this art. After a student spends years practicing and eventually mastering every nuance of sword fighting, he is said to "know the way broadly." The author says, "If you know the way broadly you will see it in everything." Meaning, if someone can learn the discipline it takes to be very successful at one thing, he can apply this success formula to other pursuits in his life. The bottom line is: people who are very successful at one thing in their lives usually find a way to continue on this successful journey.

So, how do the ideas in this 400 year-old book about sword fighting help us hire better salespeople? Very easily: always start by looking for the success factor in a sales candidate.

What do you look for in a sales candidate: a history of success. You can train a motivated person with a winning personality on how to follow our proven sales process. You could teach somebody the buzzwords of a particular industry. You could provide a new hire with sales leads; old stale personal contacts are rarely a good thing. What you can't do is teach somebody with a track record of mediocrity how to magically become motivated, disciplined, and ultimately successful. Bob Baffert is one of the most famous racehorse trainers in the country, but even he couldn't train a donkey to win the Kentucky Derby.

Look at hiring people that have at least one amazing accomplishment on their resumes. They were very successful before they walked in the door and will probably be successful while they're there. Don't focus on activities or leadership positions. Look for amazing individual performance at something. Anything. Sports, arts, music or business. The best way to predict success in this job was to hire somebody who has already proven to be successful at something else.

This doesn't always work. You may end up hiring some wrestling champions and concert cellists who are lousy salespeople. However, if you continuously look for candidates who "know the way broadly" and focus less time on recruiting mediocre performers with great industry experience, you will absolutely develop a higher-performing sales team.

For more information, contact:
Cheryl Jones, Manager, Corporate Placement Services, at 412.281.7692, ext. 319 or cjones@alpern.com.

New Shareholders Announced…

James T. Gilboy, Jr., CPA,
Tax Shareholder

With 20 years of public accounting and private industry experience, Mr. Gilboy has expertise in the high tech, investment company, manufacturing and professional services industries. Mr. Gilboy received his BSBA degree in Accounting and his Master of Business Administration from Duquesne University. He is a member of the American and Pennsylvania Institutes of Certified Public Accountants. He is also active in several not-for-profit organizations including the Finance Council for St. Gerard Majella Parish, Chair for St. John the Baptist School Advisory Council and Manager for the Plum Boro Athletic Association.

William M. Bodnar, CPA, MS
Tax Shareholder

With more than 28 years of professional experience, including 25 years with a national accounting firm, Mr. Bodnar has experience in all aspects of tax consulting, planning and compliance engagements. His clients primarily include principally privately-held corporate and pass-through entities, including the individual shareholders/principals. He has diverse industry expertise with specialization in construction, manufacturing and professional service companies. Mr. Bodnar provides a wide range of services to clients. Mr. Bodnar received his BS in Accounting from The Pennsylvania State University and his MS in Taxation from Robert Morris University. He is a member of both the American and Pennsylvania Institutes of Certified Public Accountants. He serves as a Trustee and Audit Committee Chair for Achieva, and as a Board Member and Treasurer for the Penn State Greater Allegheny Advisory Board.

Jay M. Bissell, CPA
Tax Shareholder

Mr. Bissell has 33 years of experience in both public accounting and private industry. He has a wide array of clients at the Firm that include manufacturing and retail companies. His primary focus is estate planning for individuals. Mr. Bissell advises clients on a full range of tax matters. His expertise includes: business and individual tax planning and consulting; business succession; estate planning; tax implications of mergers, acquisitions and dispositions; reorganizations under partnership and S-Corporation statutes; representation before taxing authorities; and structuring transactions. He received his BBA in Accounting from Eastern Michigan University. He is a member of the American and Pennsylvania Institutes of Certified Public Accountants and North Carolina Association of Certified Public Accountants.

Noteworthy…

James T. Gilboy, Jr., CPA, Tax Shareholder, was elected President of St. John the Baptist School Advisory Committee.

James B. Hankins, Jr., CPA/ABV, CVA, BVAL, Business Valuation/Litigation Support Shareholder, was the technical presenter at the Association for Corporate Growth monthly meeting on January 10, 2008. He is also the Director of the Mt. Lebanon Soccer Association, President of the Mt. Lebanon Soccer Foundation and Treasurer of the Mt. Lebanon Community Endowment.

David Kaplan, CPA/ABV, JD, CVA, Shareholder and Director of the Business Valuation & Litigation Support Services Group and Heather Baranowski, CPA/ABV, MST, CVA, Business Valuation/Litigation Support Shareholder, presented to the Beaver County Bar Association on the topic of Forensic Accounting in Family Law Matters on December 13.

F. Jeffrey Kovacs, CPA, Accounting & Auditing Shareholder, Director of Quality Control, gave a presentation on October 17 to the Construction Financial Management Association on the new auditing standards. He also presented Understanding FIN 48 to the PICPA on October 19. Jeff presented to the PICPA on November 12 with an Accounting & Auditing Update and also presented on November 12, 14 and 15 at Penn State on Implementing the Risk Assessment Standards.

Deborah H. Wells, CPA, MBA, Tax Shareholder, has joined the Finance Committee for First United Methodist Church.

Sylvia Bell, JD, Senior Manager of Employee Benefits, gave a presentation on December 3 regarding an update of the Pension Protection Act of 2006 at the 2007 Institute of Internal Auditors Tax Seminar.

Carl N. Hockenberry, CPA, Accounting & Auditing Senior Manager & Associate Director of Quality Control, delivered a CPE presentation on Analyzing Financial Statements to George R. Harris Associates.

Paul E. Block, CPA/JD, Tax Manager, has joined the Estate Planning Council of Pittsburgh. Paul is the Treasurer and Chair of the Finance/Investment Committee for HEARTH's Board of Directors. Currently, he is the Treasurer of the Northland Public Library Foundation but he was recently asked to be the President Elect for the 2009-2011 term. Paul was also appointed as a member of the Executive Director Search committee for the Renaissance & Baroque Society.

Brian R. Lang, CPA, MS, Tax Manager, coordinated the December Presents for Patients Blanket Drive for Kane Regional Hospital located in Ross Township.

Eric Edmondston, JD, CPA, Tax Senior, was elected to the Advisory Board as Treasurer for the Storehouse for Teachers.

Sarah Tewner, Tax Senior, organized the silent auction for a fundraiser event for Hillel Academy on December 18.

Optimistic Trends in Manufacturing Survey Contradict Recent Reports

Despite recent regional and national reports of a dismal outlook for the manufacturing industry, a recent survey developed by the Manufacturing Services Group of Alpern Rosenthal reports that manufacturing in Western Pennsylvania remains strong. The survey queried the region's manufacturers in multiple areas including management practices, operations, employment, revenue, corporate governance and industry performance.

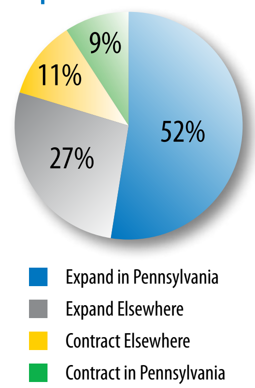
According to the U.S. Department of Labor Statistics in a report that was issued in late 2007, U.S. manufacturing has seen an employment decline of .5% nationwide. In addition, The 2008 Pennsylvania Manufacturers Register reported that PA manufacturing employment is down 2.3%. These statistics contrast with the Alpern Rosenthal study which found that over the past three years, 83% of the respondents said that they have increased employment. The mean increase was 13%. Eighty-nine percent expect an increase over the next three years with 49% of companies seeking a 10% growth or greater in employment. Eighty-seven percent of employees have been with the same company for more than five years. The average turnover rate per year is a relatively low 6%.

One report that reinforced the findings in the Alpern Rosenthal survey was the Institute for Supply Management's October *Report on Business*, which stated that economic activity in the manufacturing sector expanded in October for the ninth consecutive month. Even though the PMI registered at 50.9%, a decrease of 1.1% from September, a reading above 50% indicates that the manufacturing economy is generally expanding. This statistic is comparable to the several growth statistics found in the Alpern Rosenthal study such as revenues have increased for approximately 88% of the respondents over the last three years, including 71% who increased revenue by more than 10% in the past three years.

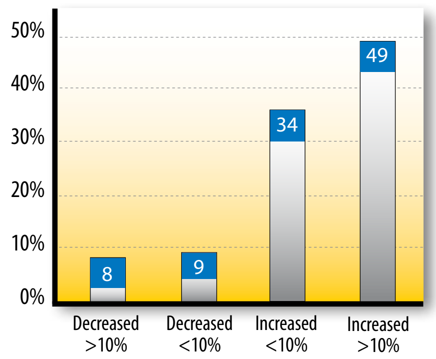
These numbers represent a major positive movement because in 2005, 80% had seen an increase in revenue and 50% saw 10% or more growth in revenue in the past three years. Seventy-six percent of firms expect an increase of revenue of 10% or more over the next three years.

Companies based here are also planning to expand in the next three years. Seventy-one percent plan to expand operations which is greater than 2006's projection of 44% expanding. As for international operations, 78% stated that it is somewhat unlikely or very unlikely that they will transfer current operations overseas, a statistic that has held fairly steady over the past four years. Forty-seven percent of all companies said they plan on expanding operations in Pennsylvania in the next three years and 24% said they were planning to expand elsewhere. Only 18% said they would be downsizing.

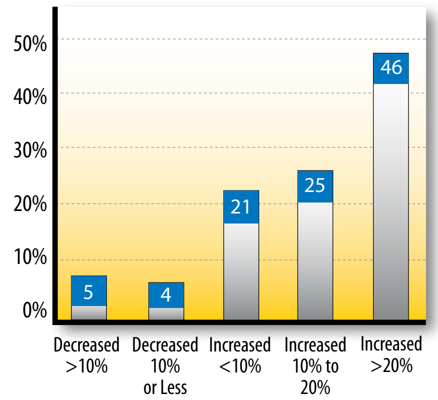
Plans for Expansion in the Next Three Years



Actual Employment Changes – Past Three Years



Actual Revenue Changes – Past Three Years



For a complete copy of the survey, visit:
http://www.alpern.com/resources/publications/2007%20study.pdf

Have Tax Deduction, Will Travel

Make Sure Uncle Sam Pays His Share for Your Travel to Professional Meetings

As professionals working in Pittsburgh, we all love our hometown. Many of us love this place so much that we never want to travel away from the 'Burgh because we might miss something important, such as attending a Pirates game on a fireworks night or that all important sports report from the Steelers pre-season camp that details the first practice for all the rookie draft picks and free agents.

Well, there is one good reason to travel away from Pittsburgh: the tax laws will let you or your employer deduct a significant portion of the travel expenses related to attending meetings, trade shows, conventions and continuing professional education courses held in the United States. Taxpayers can deduct ordinary and necessary expenses incurred while carrying on a trade or business. These include the cost of traveling and amounts expended for meals, lodging and entertainment (other than amounts that are lavish or extravagant under the circumstances), while away from home in the pursuit of a trade or business. If you can show that the meeting, trade show, convention or required continuing professional education benefited your business, then the cost to attend is deductible.

Deducting the Cost of Traveling

The cost of traveling from your home to the site of the meeting, convention, trade show or continuing education course is a deductible expense whether you travel by air, rail or car. Other deductible travel expenses include taxicabs, airport shuttles or limousines and buses. Any tips you pay for these services or to the people that help you with your baggage is also tax deductible, as well as any amounts you might have to pay to ship materials or displays to a meeting, convention or trade show.

Deducting the Cost of Meals and Entertainment

One of the most important aspects of attending a meeting, convention or trade show is the chance to meet and network with coworkers, peers, vendors and other contacts. It can be enjoyable and beneficial to your business to have dinner with a potential client or contact at one of these events. The tax code will give you a deduction for the amounts spent for meals and entertainment but is generally limited to 50% of any amounts paid for food, beverages and tips.

Should I Bring My Spouse?

The expenses incurred for your spouse to accompany you on your business trip generally are not deducible unless the spouse is an employee of the taxpayer, the travel of the spouse is for a bona fide business purpose and the expenses would otherwise be deductible by the spouse. Even if the expenses of the spouse are not deductible, you could still receive some benefit under the tax law if your spouse were to join you. For example, a hotel room could be treated in the following manner: if a single room costs $125 per night but you pay $150 for a double room for you and your spouse, then $125 would be deductible.

Mixing Business and Pleasure

Maybe there is an attraction, like the Grand Canyon, that is close to your convention site and you would like to spend a few days there after your convention is over. How would that affect the deductibility of your travel expenses? If the trip is primarily for business purposes, many of the expenses would still be deductible. If you have a five-day convention in Las Vegas and you want to take a two-day side trip to the Grand Canyon, the expenses would be deductible in the following manner: your round trip air fare from Pittsburgh to Las Vegas would be fully deductible as a business expense. The hotel for the five days of the convention in Las Vegas would be fully deductible (minus any upgrade to accommodate your spouse) as well as 50% of your meals and entertainment. After the convention, your round trip travel expenses

to and from the Grand Canyon and meals and tours while visiting there would be personal expenses and would not be deductible.

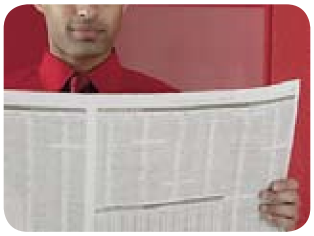
Final Details

Remember to keep all of the receipts necessary to support the deductions for travel and meals and entertainment related to your attendance at any meeting, convention, trade show or continuing education course. Also, the deductible expenses discussed in this article are related to the pursuit of a trade or business. Investing is not a trade or business so these rules do not generally apply to travel related to investing activities. Also, the rules for foreign travel are quite different than those for domestic business travel that were discussed above. As with any tax matter, you should consult your tax advisor to see how the business travel and entertainment rules affect your particular situation.

So now you have some great reasons to book the flight and pack your bags for the next convention or meeting outside of Pittsburgh since the tax laws enable you to deduct a significant portion of expenses as business deductions.

For more information, contact:
James T. Gilboy, Jr., CPA, Tax Shareholder, at 412.281.2501, ext. 315 or jgilboy@alpern.com.

This article was originally published in the January/February 2008 issue of "Pittsburgh Professional Magazine".

In the News…

Alpern Rosenthal Adding Space to Accommodate More Workers
Pittsburgh Business Times
February 15 - 21, 2008
Quote from Alex Paul, CPA, Shareholder
The story discusses Alpern Rosenthal's expansion.

Have Tax Deduction, Will Travel
Pittsburgh Professional Magazine
January 2008
Byline from James T. Gilboy, Jr., Shareholder
The story discusses ways to deduct expenses when traveling for business.

Business Praises Investment Stimulus
Pittsburgh Tribune Review
January 25, 2008
Quote from James J. Cunningham, Shareholder
The story discusses how the government's economic stimulus package will provide business tax cuts.

Tax Fix Temporary Patch, Could Hit More in 2008
Pittsburgh Business Times
January 4 - 10, 2008
Quote from Christine Vann, Shareholder
The story discusses the Temporary Tax Relief Act of 2007.

Last Minute Tax Tips
WTAE - TV — 5:00 p.m. Broadcast
December 31, 2007
James J. Cunningham, CPA, Tax Shareholder
Jim discussed last minute tax saving tips.

Communication with Creditors Can Solve Nearly Any Problem
Pittsburgh Post-Gazette
December 14, 2007
Quote from F. Jeffrey Kovacs, CPA, Shareholder and Director of Quality Control
This article discusses tips for planning ahead when the cash isn't flowing.

Survey Reflects Job Optimism
Pittsburgh Tribune Review
December 8, 2007
Quote from Joel M. Rosenthal, CPA, Shareholder
The story discusses the 2007 Annual Manufacturing Survey and the increase in employment for local manufacturers.

Survey Says Manufacturing Industry Better Off Than Perceived
Pittsburgh Business Times — Online Edition
December 7, 2007
Quote from Joel M. Rosenthal, CPA, Shareholder
The story discusses the results from the 2007 Annual Manufacturing Survey.

Local Manufacturers Plan to Expand, Survey Says
Pittsburgh Post-Gazette
December 7, 2007
Quote from Joel M. Rosenthal, CPA, Shareholder
The story discusses the positive results from the 2007 Annual Manufacturing Survey which contrast recent national reports.

New Financial Statement Audit Standards Issued to Better Assess Risk and Improve Documentation
FEI Online Newsletter
October 2007
Byline from F. Jeffrey Kovacs, CPA, Shareholder and Director of Quality Control
The story discusses the new auditing standards.

Tuition Swells for Tomorrow's Workers
Pittsburgh Business Times
October 12, 2007
Quote from Arthur Colamarino, Vice President of Alpern Rosenthal Financial Services
The story discusses the rise in tuition costs for higher education.

Moving on Up
Pittsburgh Business Times
October 5, 2007
Quote from Elisabeth Leach, Principal
The story discusses the rise in promoting entry-level staffers at a faster rate.

Auditing Fees Likely to Increase as Higher Standards Take Effect
Pittsburgh Business Times
October 5, 2007
Quote from F. Jeffrey Kovacs, CPA, Shareholder and Director of Quality Control
The story discusses the new auditing standards that are being rolled out this year and its impact on auditing fees.

Working at the Intersection of Law and Accounting
Pittsburgh Professional Magazine
October 2007
This article is a profile of David Kaplan and Larry Sipos, both Shareholders at Alpern Rosenthal, who also have law degrees.

All Retirement Plans Should Evolve with Their Businesses
Pittsburgh Business Times
September 21, 2007
Byline from Sylvia Bell, JD, Senior Manager of Employee Benefits
The story discusses the impact of retirement planning upon businesses.

Ice Cream Industry Consolidation Could Sweep Up Reinhold
Pittsburgh Business Times
September 21, 2007
Quote from Alex Paul, CPA, Shareholder
The story discusses "roll-up" strategies.

Business Briefs: Alpern Rosenthal in Florida Merger
Pittsburgh Post-Gazette
September 21, 2007
The story discusses the merger with the accounting firm of Cass, Levy & Leone.

Alpern Acquires Firm
Pittsburgh Tribune Review
September 21, 2007
The story discusses the merger with the accounting firm of Cass, Levy & Leone.

Alpern Rosenthal Merges with Cass, Levy & Leone
WebCPA.com
September 21, 2007
The story discusses the merger with the accounting firm of Cass, Levy & Leone.

Alpern Rosenthal Merges with West Palm Beach CPA Firm
Accountingweb.com
September 21, 2007
The story discusses the merger with the accounting firm of Cass, Levy & Leone.

Alpern Merges with Florida Firm, Eyes Southern Expansion
Pittsburgh Business Times
September 21, 2007
The story discusses the merger with the accounting firm of Cass, Levy & Leone.

Business Workshop: Taxes and Children
Pittsburgh Post-Gazette September 19, 2007
Byline from James J. Cunningham, CPA, Tax Shareholder
The story discusses tax strategies for business owners when hiring his or her children.

Business Workshop: Internal Controls More Critical
Pittsburgh Post-Gazette
September 12, 2007
Byline from David G. Guenther, CPA, Director of Comprehensive Risk Services
The story discusses effective internal control systems.

Long Live School Spirit
Pittsburgh Professional Magazine
September 2007
Quotes from Elisabeth Leach, Principal; Rebecca Lodovico, Tax Manager; and Farrell Zalar, Staff Accountant
The story discusses Alpern Rosenthal's University Team approach to recruiting.

Business Workshop: Tax Break for C Corporation
Pittsburgh Post-Gazette
August 15, 2007
Byline from Lawrence J. Sipos, CPA, Tax Shareholder
The story focuses on computer donations from C Corporations.

Q&Accountant

Jim Gilboy

CPA, Tax Shareholder

As a Tax Shareholder at Alpern Rosenthal, what are your responsibilities?

I provide tax planning and compliance services for my clients who are made up of businesses, their owners and executives. I am responsible for all facets of the client relationship and management of the team of professionals that I work with.

What type of clients do you work with and what do you enjoy most about your position?

I have experience with a diverse mix of clients in the manufacturing, service, investment and high tech areas. I really enjoy the interaction with my clients. After building the relationship and gaining their trust, I want them to know that I will help them navigate the complex world of taxation so they can spend their time managing and growing their businesses.

What are the most important qualities that your clients appreciate?

Responsiveness and honesty are the most important qualities in any client relationship.

How did your career in accounting begin?

After earning an undergraduate degree in Accounting and an MBA from Duquesne University, I joined a regional CPA firm in their Tax Department. I worked my way up the ranks at that firm from staff to manager gaining experience and responsibilities along the way. That experience, as well as my time in the corporate tax department at Kennametal, prepared me well for my responsibilities as a Tax Shareholder here at Alpern.

What is the most challenging role of your position?

My biggest challenge is the same as most of the people that I know — how to balance the needs of my family and my professional life. Your children are only young once and you do not want to miss a minute of time with them. Being a good professional advisor is also something that is really important to me. Hopefully, I have found that balance by working hard for my clients and making sure that their needs are met while still being there to help my children with homework, coach their teams and tuck them into bed at night. Of course none of it would be possible without the love and support of my wife, Linda, who helps make it all work out.

After being in the industry for over 21 years, what notable changes have you seen?

Technology has been the biggest driver of change that I have seen in my career. It has made everything in the world move at a much faster pace. When I started in this business, my firm did not have a fax machine. Now fax machines are almost obsolete. The computer technology has helped make communications faster and the preparation of tax returns much more streamlined. But all the technological changes have not changed the requirements of a good professional — to be technically excellent and responsive to our clients' needs.

What are your favorite activities outside of work?

Outside of work my interests are centered around my family. My wife, Linda, and I have a 14 year-old son, Patrick and an 11 year-old daughter, Erin. I am involved at my children's school as the President of the School Advisory Council and I also am a member of the Finance Council at our church. I manage Patrick's tournament baseball team and Erin's in-house softball team. I really enjoy working with the kids and watching them develop. Both of the teams were very successful on the field last summer but the best part for me was that I had the privilege of working with 30 great kids. I was able to teach them the important lessons I learned from my coaches growing up — to always play hard and never quit, have fun playing the game, make new friends and always be a good sport win or lose.

Events…

Techniques to Reduce Costs in a Limited Health Insurance Environment

March 19, 2008
5:00 p.m.
Duquesne Club
Pittsburgh, PA
Executive/CFO Speaker Series

Alpern Rosenthal's First Annual High Tech Forum

May 14, 2008
11:30 a.m.
The Lexus Club at PNC Park
Pittsburgh, PA

Alpern Rosenthal was a sponsor of the ***Pittsburgh Business Times CFO of the Year Awards***. The awards ceremony and reception was held on November 7, 2007 at the Omni William Penn Hotel. More than 300 guests attended the event, which recognized CFO's in western Pennsylvania in five categories, including small private company, medium private company, large private company, non-profit and public company.

Alpern Rosenthal's Specialty Practice Groups

Accounting & Auditing
Business Valuation & Litigation Support
Comprehensive Risk Services
Construction
Corporate Placement
Employee Benefits
Entrepreneurial Services
Estate Planning
Financial Services
High Tech Services
International Taxation
Investment Companies
Manufacturing
Medical
Mergers, Acquisitions & Transaction Advisory Services
Not-for-Profit
Professional Services
Public Company Services
Real Estate
Retail
Tax Services
Wholesale Distribution

[FINANCIAL SERVICES FEATURE]

Market Update: Frequently Asked Questions

Are we in a bear market?

No, but we are close. Most define a bear market as a 20% decline from market peaks and, currently, most major U.S. indices stand just above that level.

Is this a prolonged downturn or a market pullback?

While the market has broken its regular pattern of 5-9% corrections, LPL Financial Research still views this recent market volatility as a market correction and not the start of a prolonged market decline. Specifically, we see this correction, which can be characterized as a sharp, short, severe, decline, as near its end, and we anticipate it to be followed by a "V" shaped recovery.

Are we in or headed toward a recession?

After very careful consideration, the LPL Financial Research Group continues to think that the risk of a U.S. recession at this time is not high, although the prospects have risen slightly. While we do have significant problems in housing and the financial markets' ability to deal with sub-prime mortgage issues, we also have significant positive factors at work.

What are the catalysts to create a positive impact for the market?

There are many positives in the market that are currently being overlooked in the face of investor fear. These positives include:

- Low interest rates and a Federal Reserve that is already in easing mode, with more rate cuts likely in the near future. In fact, the Fed lowered the Fed Funds rate by an additional 75 basis points.
- Low U.S. stock market valuations that are in line with the lowest levels in 17 years.
- Strength in the economy in other areas, notably exports.
- Housing has already seen the "excesses" removed given it is already two years into its correction.
- Continued very careful cost control by U.S. business: avoiding excessive hiring, excessive wages, excessive inventories and excessive capital investment.
- Earnings and guidance are likely to be better this week, given that more companies from stronger performing sectors are due to report.
- Company earnings (of non-financials and home-builders) continue to be quite strong.
- Virtually all of the bad news is largely priced into the market already. In fact, the bond market is priced for a recession, and many companies are trading at levels below book values. As a result, we anticipate increased share repurchases by corporations.
- Some fiscal policy stimuli have been proposed that may help.

Does the market have continued declines in store?

Given our relatively positive view on the economy and the catalysts that can drive the market higher from these oversold levels, we believe this is just a mid-cycle slowdown with additional declines limited to a 3-5% range.

What about the U.S. dollar? Has it continued to fall?

No. The dollar exchange rate has continued its (small so far) rebound, despite the turmoil. We believe that a stable to rising U.S. dollar exchange rate would make U.S. equity prices attractive to international investors.

Oil prices have declined. Is this a positive?

We are seeing a continued decline in crude oil prices, which may have a very short-term negative impact on equities, but if sustained, will become a major positive for the market.

Should investors move to cash?

Given all of the positive catalysts that could stem and reverse the downside move of the market, LPL Financial Research does not recommend selling into these oversold market conditions.

Should investors consider changing their asset allocation?

An investor's asset allocation, which is tied directly to their Investment Objectives, should have a longer-term view. We would never suggest changing the investment objective based on short-term fear. Any such change should come from a shift in investor goals.

What should I do with new money?

LPL Financial Research does not believe that we can call the exact bottom of the market in these volatile conditions. However, we do believe that the market will close the year significantly higher from current levels. As a result, we would recommend confirming the investor's risk tolerance and investment objectives, and then following with a dollar-cost averaging* strategy of new purchases.

** Such a plan involves continuous investment in securities regardless of fluctuation in price levels of such securities. An investor should consider their ability to continue purchasing through periods of low price levels. Such a plan does not assure a profit and does not protect against loss in declining markets.*

For more information, contact :

Arthur Colamarino or Adam Yofan, Vice Presidents of Alpern Rosenthal Financial Services, at 412.281.3416.

ALPERN ROSENTHAL
INSPIRING OPPORTUNITIES

Heinz 57 Center
339 Sixth Avenue
Pittsburgh, PA 15222

www.alpern.com

PRESORTED
STANDARD
U.S. Postage Paid
Pittsburgh, PA
Permit No. 2919