



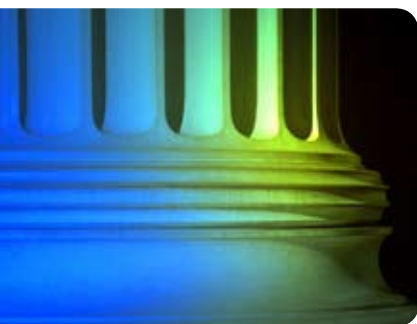
ALPERN ROSENTHAL
INSPIRING OPPORTUNITIES



The Leading Edge

Worker, Retiree and Employer Recovery Act of 2008:

New Economic Relief Act Benefits Seniors and Employers



*The economic downturn and mounting stock market losses are shrinking retirement accounts and impeding employers' ability to meet pension funding requirements. The **Worker, Retiree and Employer Recovery Act of 2008 (WRERA)** is designed to help seniors recover some of the value their retirement accounts have lost in the last 12 months and ease employer pension funding requirements that could have forced businesses to make large pension fund contributions at a time when cash is in short supply. In addition, the Act "corrects" several technical provisions of the **Pension Protection Act of 2006 (PPA)**.*

Excise Tax Affecting Seniors Suspended

Due to the steep drop in the stock market during the past several months, you likely have found that the value of your retirement plan has plummeted, too. Many seniors

have been particularly hard hit because of rules stipulating that those age 70.5 or older generally must take required minimum distributions (RMDs) from their IRAs, 401(k)s or other tax-deferred retirement plans each year. Failure to withdraw the RMD in any year could result in a 50% excise tax on the shortfall. The RMD for a given year is the balance as of December 31 of the prior year divided by a factor based on age.

As a result, those having to take RMDs in 2008 had to base their withdrawals on December 31, 2007 values — which in many cases were considerably higher than current ones. This requirement has caused them to take larger RMDs than they would have based on current values. These relatively larger withdrawals, combined with the drop in market value of the assets remaining in their accounts, have left many seniors with significantly reduced retirement funds.

WRERA temporarily suspends the RMD excise tax for 2009 for IRAs as well as all defined contribution plans, including 401(k), 403(b) and 457 plans. This suspension gives seniors the option to keep remaining funds in their plans for another year without incurring a tax penalty — providing time for their investments to hopefully recoup recent losses. This provision applies to all individuals age 70.5 or older, regardless of their retirement

plan's account balance or whether the plan has incurred any losses.

Of course, seniors still have the option of withdrawing funds from their plans if they need or want the money. But even before the recent stock market volatility, many have preferred to withdraw only the RMD to maximize continued tax-deferred growth. And now, thanks to WRERA, they can choose not to withdraw in 2009.

Employer Pension Funding Requirements Eased

The economic downturn has significantly affected employers' ability to fund pension plans. WRERA eases the pension funding requirements enacted in PPA. Here are some of the key changes for:

Single-Employer Plans

Under PPA, employers were required to increase funding for single-employer pension plans to 100%, from 90%, over a seven-year period. The target funding level is 92% in 2008 and 94% in 2009. The penalty, if employers didn't reach those

(Continues on Page 2)

Inside This Issue...

Tax Implications of Financial Rescue Bill with Extenders.....	2
Extension and Modification of Federal Research Credit.....	3
The New Age of Reporting: Preparing the Revised Form 990.....	4
Nexus Without Physical Presence.....	5
Rational Advice for an Anxious Investor.....	8



Worker, Retiree and Employer Recovery Act of 2008:

New Economic Relief Act Benefits Seniors and Employers

(Continued from Page 1)

benchmarks had been that they must immediately fund the plan 100%. Under WREERA, employers who can't meet these requirements must make subsequent contributions only up to the target for that year, rather than hit the 100% target.

Multi-Employer Plans

WREERA offers relief for multi-employer pension plans that are "endangered" or in "critical status." PPA provided funding restrictions for these plan types, and the new law eases those restrictions. Specifically, the act allows plan sponsors to elect to temporarily freeze the status of certain multi-employer plans at the funding status held during the previous plan year. This covers plan years beginning on or after October 1, 2008, and before October 1, 2009. Also, if the plan was "endangered" or in "critical status" the preceding plan year, it isn't required to revise its funding improvement plan or schedules until the following plan year.

WREERA requires that, beginning after 2009, qualified retirement plans, 403(b) plans or 457 plans allow non-spouse beneficiaries of a deceased participant to roll over their balance directly to an "inherited IRA." Previously this was permitted but not required.

Know How WREERA Affects You

Even though WREERA's main provisions are relatively simple, knowing exactly how they affect you and what to do about them is a more complicated matter. To find out, please give us a call. We would be glad to answer any questions you have and help you take advantage of this legislation to mitigate the impacts of the current recession.

For more information, contact:

Sylvia Bell, JD, Tax Senior Manager of Employee Benefits Services Group, at 412.281.2501 or sbell@alpern.com.

Tax Implications of Financial Rescue Bill with Extenders

In the fourth quarter of this year, Congress passed and President Bush signed a massive financial stabilization package, *The Emergency Economic Stabilization Act of 2008, Energy Improvement and Extension Act of 2008* and *Tax Extenders and Alternative Minimum Tax Relief Act of 2008*. The law authorizes the Secretary of the Treasury to establish a troubled assets relief program, provides a temporary alternative minimum tax (AMT) fix, and extends certain expiring tax provisions and energy tax incentives.

As has been fairly heavily reported, the legislation grants the Treasury Department up to \$700 billion to purchase assets from troubled financial companies in an effort to stimulate the flow of credit. The ultimate bill contained greater congressional oversight over the flow of funds to the Treasury and supposedly includes greater protections for taxpayers. Another significant provision raises the ceiling on the Federal Deposit Insurance Corporation's (FDIC) guarantee on bank deposits from \$100,000 to \$250,000. The bill also took aim at the so-called "golden parachutes" that executives of failed institutions can receive if their firms take advantage of the Treasury bailout plan.

What may not have been so heavily reported is the Senate's addition of the "tax extenders" package — a \$150 billion piece of legislation arguably required to get the necessary votes on the rescue plan. Among the provisions are the following:

- Extension of the research and development tax credit (R&D credit) through 2009. Increase in the alternative simplified credit from 12% to 14% for 2009. Repeal of the alternative incremental research credit for 2009.
- Increase in the alternative minimum tax (AMT) exemption level. Raising the AMT exemption level will prevent more than 21 million additional taxpayers from having to pay the AMT tax for the first time. The bill's AMT patch raises the exemption for individuals to \$46,200 and to \$69,950 for married couples filing jointly. In 2007, the exemption levels were \$44,350 and \$66,250, respectively.
- Provision for permitting use of personal credits against AMT.
- Increase in tax on certain executives, including hedge fund managers who receive deferred income through offshore entities in low- or no-tax countries. The provision is designed to prevent companies from deferring the taxes owed to the federal government on such compensation.
- Requirement that securities brokers report cost basis for transactions to the Internal Revenue

Service. This is intended to apply to stock, debt, commodities, derivatives and other financial transactions as may be specified by Treasury. It is designed to improve compliance in reporting gains and losses on the sale of capital assets.

- A freeze on the Section 199 manufacturing deduction for oil and gas companies. The deduction is currently 6% of qualified production activities income. It has been scheduled to increase to 9% and will do so for other industries. However, for oil and gas companies, the deduction will remain 6%. Note that there had been discussion about removing the deduction entirely for the five major oil and gas companies, but the ultimate resolution was to freeze the deduction at 6%.
- A tax credit for the purchase of plug-in hybrid-powered vehicles.
- A two-year extension of the deduction of state and local general sales taxes for individuals. This is especially relevant to taxpayers in states where there is no state income tax.
- Extension of the deduction for qualified tuition expenses through the end of 2009, allowing teachers to continue to expense their costs for classroom supplies.
- Extension of provision allowing taxpayers older than 70.5 to continue to be able to take up to \$100,000 from their individual retirement accounts to give to certain public charities without being taxed.
- Removal of adjusted gross income limits for the refundable AMT credit and raise in the usage rate of unused credits from 20% to 50%.
- A \$20 per month allowance permitted by employers for workers who commute to work by bicycle.
- Extension of the 15-year straight-line cost recovery provision for qualified leasehold restaurants and retail improvements and new restaurants through 2009.
- Extension of the exception under subpart F for active financing income to the end of 2009.
- Modification on preparer penalty standards to more closely conform to taxpayer standards.
- Extension of the FUTA surtax at the current level for one year.

For more information, contact:

Lawrence J. Sipos, CPA, JD, Department Director of Tax Operations, at 412.281.8420 or lsipos@alpern.com.

Portions of this article are © CCH INCORPORATED a Wolters Kluwer business. Reprinted with permission.

Extension and Modification of Federal Research Credit

President Bush signed **The Emergency Economic Stabilization Act of 2008** on October 3rd, 2008. This Act contains extensions of numerous business tax provisions. Among those extensions is the incremental research credit. The research credit for increasing research activities was previously extended to only include taxable years ending through December 31, 2007. The new Act continues to add to the research credit's resilience by extending it two additional years through December 31, 2009.

Under the general rule, a taxpayer determines their credit by first calculating a base period amount. The base amount is equal to the average of gross receipts for the four preceding tax years multiplied by the taxpayer's fixed-base percentage. The fixed-base percentage is the ratio that its total qualified research expenditures for 1984 through 1988 is to total gross receipts for that period. Please note the fixed-base percentage is capped at 16%. Also note that start-up companies use a fixed-base percentage of 3% for its first five years.

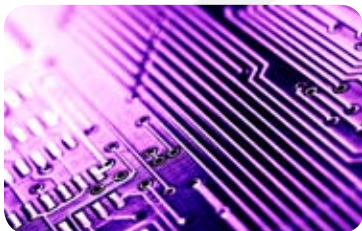
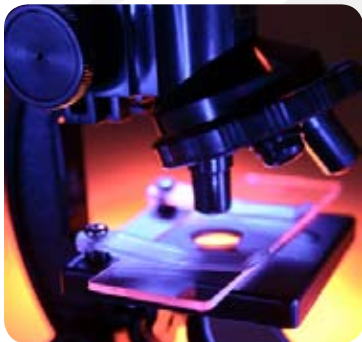
After calculating a base period amount, the taxpayer then determines the credit by taking the sum of: 20% of a company's qualified research expenses for the tax year over its base amount; 20% of the excess of its qualified research payments made during the year over the average annual payments made during the base period; and 20% of all payments made during the year to an energy research consortium. Note that qualified expenses used to calculate the credit are not deductible. However, a taxpayer may elect to use a reduced percentage, 13%, of the above payments and still deduct the qualified expenses on its tax return. This election is irrevocable and must be made on a timely filed tax return including applicable extensions.

As an option to the above regular credit calculation, taxpayers can make an election to use *The Alternative Incremental Credit*. Under this option, the taxpayer uses a reduced rate over a lower fixed-base percentage to calculate the research credit. However, the new Act terminates this election option for taxable years beginning after December 31, 2008. Therefore, the 2008 tax year is the last year this option is available.

Another option to the regular credit calculation is the Alternative Simplified Credit added previously by the *Tax Relief and Health Care Act of 2006*. A taxpayer may elect to use this method whereby the taxpayer claims a credit equal to 12% of the increase of current year qualified research expenses over 50% of the average of the same expenses for the previous three years. The new Act increases this percentage to 14% for taxable years ending after December 31, 2008. If a taxpayer does not have qualified expenses for any of the three preceding years, then the credit is determined by taking 6% of the current year's qualified expenses. This option should always be looked at by taxpayers, especially those taxpayers who have issues with the base amount either limiting or eliminating the incremental credit calculated under the general rule. This provision was not changed by the new Act. It is important to note that once a taxpayer elects to use this method, they must continue to do so unless revoked with IRS consent.

For more information, contact:

James J. Cunningham, CPA, Tax Shareholder, at 412.281.2533 or jjcunningham@alpern.com; Dennis W. Grady, Jr., Esq., Senior Tax Manager, at 412.281.2501 or dgrady@alpern.com.



New Shareholder...

Thomas D. Pratt, CPA, ABV, CFF, CVA
Business Valuation & Litigation Support Services Group Shareholder



Mr. Pratt joins Alpern Rosenthal as a new team member in the Business Valuation & Litigation Support Services Group. In his new role, he will specialize in complex damage claim issues and forensic accounting engagements. In addition, he will focus on business and intangible asset valuation as well as financial restructuring consulting.

Previously, Mr. Pratt was the Director of Operations for a CPA and consulting firm that specialized in business valuation, financial reorganization and litigation support. He has testified as an expert on accounting and valuation matters in various courts and arbitration proceedings. Mr. Pratt has led hundreds of consulting engagements and the presentation of complex financial and accounting analyses to courts and business executives for more than 17 years. He also previously worked as both an auditor and tax manager for a Big Four CPA firm in its middle market practice.

Mr. Pratt earned a BA in Business Administration, concentrating in Accounting, from Westminster College. He is a member of the American Institute of Certified Public Accountants, Pennsylvania Institute of Certified Public Accountants and the Licensing Executives Society.

Sponsorships...

Pittsburgh  Technology Council

Finance Network Breakfast Reception Series

Alpern Rosenthal is a sponsor of the Pittsburgh Technology Council's CFO Network Series.

New Accounting Rules for Mergers and Acquisitions

Thursday, February 19, 2009
Alpern Rosenthal
Heinz 57 Center, 8th Floor
8:00 a.m. - 10:00 a.m.

Presentation by F. Jeffrey Kovacs, CPA,
Accounting & Auditing Shareholder,
Director of Emerging Business &
Technology Services Group



[Tax-Exempt Organizations' Alert]

The New Age of Reporting: Preparing the Revised Form 990

*The IRS issued a completely revised Form 990 — Return of Organization Exempt from Income Tax and its related instructions. The **new 2008 Form 990** is required to be used for the 2008 fiscal year (tax returns filed in **2009 and 2010**). The **new** form consists of an 11-page, 11-part core form that is required to be completed by **all** organizations that file the Form 990.*

Form 990 Series: Filing Phase-In

To allow organizations time to adjust to the new Form 990, the IRS is phasing in the new returns during a three-year transition period. During the transition, an organization's annual filing requirement will depend on its financial activity. The charts below indicate annual exempt organization filing requirements during the transition period.

2008 Tax Year (Filed in 2009 or 2010)	Form to File
Gross receipts normally ≤ \$25,000	990-N
Gross receipts > \$25,000 and < \$1 million, and total assets < \$2.5 million	990-EZ or 990
Gross receipts ≥ \$1 million, and/or total assets ≥ \$2.5 million	990

2009 Tax Year (Filed in 2010 or 2011)	Form to File
Gross receipts normally ≤ \$25,000	990-N
Gross receipts > \$25,000 and < \$500,000, and total assets < \$1.25 million	990-EZ or 990
Gross receipts ≥ \$500,000, and/or total assets ≥ \$1.25 million	990

2010 Tax Year and Later (Filed in 2011 and Later)	Form to File
Gross receipts normally ≤ \$50,000	990-N
Gross receipts > \$50,000 and < \$200,000, and total assets < \$500,000	990-EZ or 990
Gross receipts ≥ \$200,000, and/or total assets ≥ \$500,000	990

The Form 990 requires substantial disclosures regarding virtually every aspect of an exempt organization's operations. **The Form is open to public inspection and will serve as a key tool for the IRS, state charity officials and the public to evaluate exempt organizations.** A poorly prepared Form 990 could deter potential donors.

The highlights of the new Form 990 are:

- Summary page providing the organization's identifying information and a snapshot of the key financial, compensation, governance and operational information.
- Sections of the form stating governance information including the composition of the board and certain other governance and financial statement practices.
- Schedules focusing on areas of interest to the public and the IRS: fundraising, compensation, hospitals, tax-exempt bonds and noncash charitable contributions.

The new Form 990 contains 37 trigger questions, many relating to corporate governance matters:

- Did the organization have the following policies in place and have they been made available to the public?
 - Conflict of interest
 - Whistle blower
 - Document and destruction
- Did the organization provide the Form 990 to their Board of Directors for their review before it was filed?
- What was the process for determining the compensation of the CEO, Executive Director or other officers and key employees?
- Did the organization participate in a joint venture or similar arrangement with a taxable entity?

If you want to answer "yes" to the Policy adoption and procedures needed, your organization must implement them on or before the last day of its 2008 fiscal year. **The Board of Directors has little time to enact these policies and procedures and should begin gathering information now. Not having them in place may send a "red flag" to the IRS and could potentially lead to an IRS audit.**

Alpern Rosenthal is prepared to assist your organization with all aspects of the new Form 990 and we are fully compliant with IRS e-file mandates for Form 990.

For more information, contact:

Kimberly P. Griffith, CPA, Accounting & Auditing Shareholder, Director of Not-for-Profit Services Group, at 412.281.3010 or kgriffith@alpern.com.

Nexus Without Physical Presence

In recent years many businesses have been surprised to learn that they have nexus with states they have never visited. More states are imposing tax liabilities on companies that have never even sent a sales representative into the state to solicit orders from potential customers. These states, invoking a rationale known as “economic nexus,” have been asserting that companies are doing business in their state simply because they have customers located in that state.

This is often a surprising result for taxpayers for two reasons; federal law (Public Law 86-272) restricts the ability of states to tax out of state businesses, and a United States Supreme Court case (*Quill Corp. v. North Dakota*) held that physical presence in the state was required before a taxpayer could be considered to be doing business there.

These taxpayer-friendly rules, which apply to all states, do have limitations however; and in recent years some states have found ways to circumvent them.

Michigan, for example, will assert that a company has nexus if they have a substantial volume of sales to Michigan customers via the internet, even if all the company does is maintain a Web site that can be accessed by their customers in Michigan. A taxpayer has nexus with Michigan and is subject to the new Michigan Business Tax if the taxpayer “actively solicits” sales in the state and has gross receipts of \$350,000 from sales to customers within the state. “Active solicitation”, as defined by Michigan includes, but is not limited to, solicitation through: (1) the use of mail, telephone and e-mail; (2) advertising, including print,



radio, internet, television and other media; and (3) maintenance of an internet site over or through which sales transactions occur with persons within Michigan.

Similarly, under Ohio law, taxpayers have nexus for purposes of the Commercial Activities Tax (CAT) when the taxpayer has at least \$500,000 of sales to Ohio customers during any calendar year, even when the taxpayer never physically enters the state. Ohio will maintain this conclusion even in cases where the taxpayer has absolutely no property or payroll in the state.

How can the states do this in light of the federal rules described above? One reason is the fact that Public Law 86-272 applies only to net income taxes, not to gross receipts taxes such as the Ohio CAT or the gross receipts portion of the Michigan Business Tax, and it protects only those taxpayers who sell tangible personal property (it does not protect taxpayers selling services or intangible property such as software, etc.). These limitations are primarily due to the fact this federal law was passed in 1959, when the economy was dominated by manufacturing companies.

Another reason is that some people also believe that the *Quill* decision has limited applicability, in spite of the fact that the Supreme Court clearly stated that some physical presence in a state was required before that state could impose a tax liability.



The problem here is that *Quill* was a sales tax case, and some people believe that it does not apply to any other type of tax.

For example, the West Virginia Supreme Court, in *Tax Commissioner v. MBNA America Bank*, held that a bank that provided credit card services to customers in West Virginia had sufficient nexus to make it subject to West Virginia net income tax. The West Virginia court ruled that MBNA established a significant economic presence in the state which was enough to meet the substantial nexus requirements of the United States Supreme Court. During the tax years in question, the bank owned no property and had no payroll in West Virginia, but it did engage in direct mail, telephone solicitation and promotion in the state that produced significant revenue from customers residing in West Virginia. The West Virginia Supreme Court held that the physical presence test in *Quill* applies only to state sales and use taxes and not to state corporation net income tax.

This same taxpayer recently received a similar adverse decision from the Indiana Tax Court. In the case of *MBNA America Bank v. Indiana Department of State Revenue* (October 20, 2008), with essentially the same facts as the West Virginia case, the Indiana court specifically cited the West Virginia ruling as the basis for their decision. Adopting the same line of reasoning, this court ruled that physical presence in Indiana was not a requirement for the imposition of a tax liability by the state.

This trend is likely to continue as more states find themselves facing budget deficits as tax revenues decline due to recent economic conditions, so taxpayers should be prepared to deal with these issues.

For more information, contact:

Stephen J. Blair, CPA, JD, Tax Manager, at 412.281.2501 or sblair@alpern.com.



Noteworthy...

Alexander Paul, CPA, MBA, President, has been elected Executive Director of the Pittsburgh Venture Capital Association's 2008-09 Board.

Lawrence P. Barger, CPA, Accounting & Auditing Shareholder, Director of Manufacturing Services Group, presented the results of a recent survey of Western PA's manufacturing firms and co-hosted at the *Pittsburgh Business Times*' Manufacturer of the Year Awards ceremony on December 4, 2008, an annual event honoring 16 of the area's most successful manufacturing companies.

David N. Kaplan, CPA, ABV, CFF, JD, CVA, Shareholder and Director, Business Valuation & Litigation Support Services Group, presented "Putting Together the Economic Parts of Your Trial" at the Pennsylvania Bar Institute's annual *Employment Law Institute WEST* conference on Wednesday, November 19, 2008.

F. Jeffrey Kovacs, CPA, Accounting & Auditing Shareholder, Director of Quality Control, gave a presentation on October 24 to the Pennsylvania Institute of CPA's Southwestern Chapter, "New Accounting Rules for Mergers and Acquisitions." On October 27, 29 and 30, Mr. Kovacs presented before Penn State University, "Accounting and Auditing Update." He also gave a presentation on November 12, 2008, to the Pennsylvania Institute of CPA's Pittsburgh Chapter, "Annual Accounting and Auditing Update."

James B. Hankins, Jr., CPA, ABV, CFF, CVA, Business Valuation & Litigation Support Services Shareholder, presented an "Intellectual Property, Business Enterprise and Equity-Based Compensation Valuations, and the Importance of Asset Allocation when Negotiating a Deal," at the Pittsburgh Technology Council's Finance Network Breakfast Series on Tuesday, October 7, 2008.

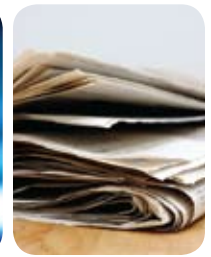
Christine Vann, CPA, MS, Tax Shareholder, has been named Treasurer for The National Association of Industrial and Office Properties (NAIOP) – Pittsburgh Chapter.

Sylvia Bell, JD, Tax Senior Manager of Employee Benefits Services Group, has become a Board Member of HEARTH, a non-profit organization for homeless mothers and their children, providing housing and other needed services.

Joshua Lefcowitz, CPA, ABV, CFF, CVA, CFE, Manager, Business Valuation & Litigation Support Services Group, was recently selected as a member of the Leading Edge Alliance's Young Professionals SIG Steering Group.

Kaylyn Talton, AVA, Senior, Business Valuation & Litigation Support Services Group, recently coordinated and organized The Bradley Center Holiday Toy Drive for Cornerstone Church in Cranberry Township.

Roozbeh Aliabadi, Financial Consultant, Alpern Rosenthal Financial Services, LLC, was named Chair for the Steering Committee of Pittsburgh World Affairs Council Young Professional Initiative.



In the News...

Manufacturing Firms Forecast Downturn in '09 *Pittsburgh Tribune-Review* December 12, 2008

The article discusses the results of the recent 2008 Manufacturing Survey.

How Pittsburgh Manufacturing Stays Strong in Tough Times

PopCityMedia.com
December 12, 2008

Quotes by Lawrence P. Barger, CPA, Accounting & Auditing Shareholder, Director of Manufacturing Services

The article discusses the results of the recent 2008 Manufacturing Survey.

Manufacturing Firms Holding Up Well Here

Post-Gazette.com
December 9, 2008

Quotes by Lawrence P. Barger, CPA, Accounting & Auditing Shareholder, Director of Manufacturing Services

The article discusses the results of the 2008 Manufacturing Survey.

\$9.8M Left in Tax Credits for Education Program Donations

Pittsburgh Business Times
December 5-11, 2008

Quote by James J. Cunningham, CPA, Tax Shareholder

The article discusses an income tax credit for businesses that donate to certain state-approved programs.

CMU Prof Pausch's Work Will Live On

Pittsburgh Tribune-Review
November 19, 2008

The article discusses Alpern Rosenthal's donation to the Pancreatic Cancer Action Network in honor of Randy Pausch Day.

Business Briefs

Pittsburgh Post-Gazette
November 19, 2008

The article discusses Alpern Rosenthal's donation to the Pancreatic Cancer Action Network in honor of Randy Pausch Day.

Pittsburgh Firms Reinvent the Workspace to Reduce Employee Stress

Pittsburgh Business Times
November 14, 2008

Quote from Elisabeth Leach, Principal

The article discusses creative solutions local businesses are providing to alleviate stress in the workplace.

Finding (and Understanding) the Bottom Line in Earnings Reports

Pittsburgh Business Times
October 31- November 6, 2008

Quotes from James E. McIntire, CPA, Accounting & Auditing Shareholder

The article discusses understanding the bottom line in earnings releases.

Business Workshop: Keep Cash Flowing, Financial Ethics

Pittsburgh Post-Gazette
October 15, 2008

Article by David G. Guenther, CPA, Director, Comprehensive Risk Services Group

The article discusses financial ethics.

Business Workshop: Avoiding Fiduciary Fiascos

Pittsburgh Post-Gazette
Wednesday, September 24, 2008

Byline by Sylvia Bell, JD, Tax Senior Manager, Employee Benefits Services Group

The article discussed the impact of a recent U.S. Supreme Court ruling regarding the right of a participant to bring claim for breach of fiduciary duty.

Hot Topics in Business Valuation

TEQ Radio — KQV 1410 AM
Monday, September 22, 2008

James B. Hankins, Jr., CPA, ABV, CFF, CVA, Business Valuation & Litigation Support Services Group

Shareholder, discussed his upcoming presentation for the Pittsburgh Technology Council's Finance Network Breakfast Reception.

25 Largest Pittsburgh-Area Management Consulting Firms

Pittsburgh Business Times
September 19-25, 2008

Alpern Rosenthal ranked 11th on the list.

Business Workshop: Privilege Tax Changes, Workplace Financial Advice, Who Pays for Preventive Care?

Pittsburgh Post-Gazette
Wednesday, September 10, 2008

Byline by Stephen J. Blair, CPA, JD, Tax Manager

The article discusses the ramifications of the changes in Pennsylvania's business privilege tax laws.

Pittsburgh is Place to Be for Young Professionals

Pittsburgh Tribune-Review and TribPM Magazine
July 15 and 16, 2008

Photo and quotation by Roozbeh Aliabadi, Financial Consultant, Alpern Rosenthal Financial Services, LLC

The article discusses a recent Forbes survey ranking Pittsburgh among the top cities for young professionals.



Q&Accountant

James E. McIntire, CPA
Accounting & Auditing Shareholder

What inspired your move from your previous firm?

I truly believe that one's past experiences lay a foundation for tomorrow's opportunities. The personal and professional situations in which we find ourselves in, whether good or bad, are providential occasions to learn, grow and develop; so that when change comes — which is inevitable — one can be ready to embrace it.

My former firm, a Big Four CPA firm, was a great training ground which taught me how to audit, research technical issues and interact with all levels of individuals; from senior management in the "C" suite to the hourly employees who were involved in the daily activities of making management's vision a reality. The opportunity that Alpern Rosenthal offered was a great way to marry my prior training and experience with a forward thinking organization that values change and places a high priority on personal, individual client service.

How does your background fit into the Firm's niche groups?

My background has been varied and diverse which I believe has enhanced my ability to meet people where they are, walk in their shoes and empathize with them on a personal level. I've always joked with people that my work experience would make a great mini-series; from the stage, to the mill, to bank and then the Firm as well as everything else in between. Since my background is diverse, I offer a unique perspective in teaming with the Alpern Rosenthal niches. I have been on both sides of the equation; management as well as organized labor. I was once a card-carrying member of the USWA and that experience taught me not to rush to a conclusion, but to be thoughtful in my approach and execution to problem solving, listening to all sides of an argument.

Why Alpern Rosenthal?

Culture is king... and culturally a work environment must fit the individual and vice versa. In speaking with the Shareholders and Managers at the Firm, I stressed that above all else, the culture of a Firm is the key to the success of an organization. If you do not fit with the culture of an organization, its ideals and the vision of the people you work with, it becomes difficult to get behind initiatives with any real passion or believe in what you are doing or where an organization is going.

The public accounting profession provides for an intense working environment which requires dedication and commitment. The individuals you work with on a daily basis are like a second family, given the hours the profession requires, and therefore culturally, the fit must ultimately work for the individuals both from a global as well as an individual perspective.

For me, the fit was right. There was no pressure in the process of getting to know the Firm. Alex Paul was a gentleman and he stressed that he wanted to win on the merits of the Alpern Rosenthal organization. He was not a high-pressure salesman, but was one to answer any questions and offered insight into the Firm.

What's the biggest challenge of your job transition?

The biggest challenge was getting used to the working environment; coming from a very large international firm to a large regional firm in some ways took some getting used to, but in the end, I think I'm almost fully "climated." I have to say everyone has been very helpful, ready to lend a hand and answer any questions I had or continue to have. We are extremely blessed as the organization has some really wonderful individuals. I keep telling Jeff Kovacs, I'm going to start the Jeff Kovacs Fan Club as the charter member. His technical ability is just great!

So, when the tie comes off, what would we find you doing?

Weekends are for family. We usually spend Sundays together and have dinner. I also have projects around my home which some how keep growing.

Upcoming Events...

Innovation in the Construction Industry — Oxymoron

This program is designed for owners, presidents, financial executives and other executives in the construction industry.

Wednesday, February 25, 2009

Churchill Valley Country Club

7:15 a.m. - 7:45 a.m. (registration and breakfast)

7:45 a.m. - 9:30 a.m. (seminar)

Presented by William (Bill) J. Meloche

Strategic Innovation Consultant, FMI Corporation

Topics to be covered at this session include:

- What is the Innovation Capitalist?
- How can your firm develop an innovation-based strategy to achieve breakthrough financial and productivity performance?
- What is necessary to transform an organization and build an innovation-based culture?
- What ten questions should every construction industry CEO ask and then answer in order to ensure success and achieve extraordinary performance?

To register for this event, please contact:

Samantha Trunzo at 412.281.7692, x545, or register online at: www.alpern.com/seminar-registration.php

An Exciting Announcement...



It's a new year and we have a new look!

Alpern Rosenthal is pleased to announce the launch of our new Web site. The site has been redesigned with improved navigation, interactive videos and even more resources to make it easier to get the information you need.

Take a minute to visit our new site and return often to stay on top of timely information affecting your business!

www.alpern.com



ALPERN ROSENTHAL
INSPIRING OPPORTUNITIES

Heinz 57 Center
339 Sixth Avenue, 8th Floor
Pittsburgh, PA 15222

www.alpern.com

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

[INVESTING INSIGHTS]

Rational Advice for an Anxious Investor

Many of our clients have called us for advice given the turmoil on Wall Street. Our counsel to them has not changed:

Plan, Grow, Protect and Transfer your wealth, tax-effectively, planning for the unexpected (which now seems to be occurring). When designing retirement plans for clients, we ask them to treat their personal situation as though it were a business:

- What are the sources and uses of cash?
- What is the likelihood you will lose a customer (analogous to a market drop)?
- What is the potential for your payroll or material costs to rise (similar to an increase in inflation)?
- What are other potential impacts to living the life you want?

While many asset managers may say this is a great time to invest, we suggest aligning your holdings to your needs, with a focus on cash flow. Cash pays the country club dues, the college tuition and the wedding. Appreciation may or may not come.

So while some stocks may scream “buy,” what if they don’t increase in price? At least a dividend paying stock or an interest paying bond may help pay some of the bills.

We all associate bonds with cash flow, but we have learned that AAA might not be a proper rating. A tax-free municipality* may not be the safest place to be, especially in light of today’s foreclosures.

Finally, all bets are off since we have a new administration facing an enormous U.S. debt. One has to wonder where tax rates are going.

Clients need to determine their required rate of return and their required cash inflows by determining their cash outflows and liquid assets. Only then can an investor determine in what to invest. We urge people to consider the after-tax, after-fee, risk adjusted return on their money and to invest accordingly.

We then have clients position their assets in the most tax-effective vehicles. We calculate the benefit of pulling IRA money out prior to required distributions at 71.5. We also calculate the benefit of investing in an often unused — but stable asset — life insurance. Obviously, there is no cookie cutter solution, but with the proper planning, we can help clients live the life they want with lower volatility, higher cash flow and leaving more money for heirs.

For more information, contact:
Arthur P. Colamarino or Adam G. Yofan,
Vice Presidents of Alpern Rosenthal
Financial Services LLC, at 412.281.2501.

Securities offered through LPL Financial Member of FINRA/SIPC

This is for general information only and is not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, please speak with us or your financial advisor prior to investing.

**Subject to availability and change in price.
Subject to market and interest rate risk if sold prior to maturity.
Bond values will decline as interest rate rise.
Interest income may be subject to the alternative minimum tax.
Federally tax-free but other state and local taxes may apply.*

