



GROCO WEEKLY

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Weekly Wealth Building Tips

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ESOP Valuation Issues Q&A (Employee Stock Ownership Plan)



ESOPs have become an effective tool in corporate finance and tax planning. Not only do they provide retirement benefits and incentives to employees but an ESOP can provide unique ways to transition company management in tax favored environments. An ESOP can even be used to increase cash flow or convert debt to a pre-tax environment.

Why do we need to engage an outside party to value our ESOP shares?

From a strictly regulatory standpoint, a valuation of ESOP shares by an independent third party is required by the Department of Labor (DOL) and the Internal Revenue Service (IRS).

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A Thorny Dilemma: The Ethics of Mortgage Walkaways

In the aftermath of the housing bubble and the lending frenzy that fueled it, more and more families find themselves stuck owing a lot more on their mortgages than their homes are worth. Pressed with rising mortgage rates and falling incomes, many of these families face a dilemma: Should they sacrifice to pay their mortgage even though their home's value may not recover for several years? Or should they simply walk away?



According to the Los Angeles Times many people are choosing to walk away. The report quotes a recent University of Chicago study which found that 26% of all foreclosures are "strategic", meaning they are calculated moves to get out of upside down mortgages by people with the ability to pay.

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How to Organize a Seminar or an Event



Seminars and events have always been implemented as a holistic experience to participants. Thus, organizing an event requires extensive planning and preparation with most work implemented at least a few months before the actual event. Most of the time, seminars seem to run like clockwork with all events flowing smoothly according to schedule. In reality

however, much groundwork has been worked on with the purpose of developing the right atmosphere in addition to a beneficial experience to participants.

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 **GREENSTEIN, ROGOFF,
OLSEN & CO., CPAS**

New Jobs Credit For California Employers



- A new tax credit of \$3,000 for each additional full-time employee hired is available to small businesses with 20 or less employees beginning January 1, 2009.
- The credit is not subject to the 50% limitation for business credits.
- The total amount of credit available to be claimed by all taxpayers is capped at \$400 million.
- The credit must be claimed on a timely filed original return received by the Franchise Tax Board on or before a cut-off date specified by the Franchise Tax Board.
- Taxpayers claiming the credit on an original return received by the Franchise Tax Board after the cut-off date is met, will be notified that the credit has been denied.

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Upcoming Due Dates

[Upcoming Tax and Accounting Deadlines](#)

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