

Memo

TO: Accountants and Attorneys
FROM: Ian S. Baker
PRICE RAFFEL & BROWNE
DATE: July 2007

PRICE RAFFEL & BROWNE

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THE LEADERSHIP EDGE FOR FINANCIAL DECISION MAKING

*pro***ACT** Joins with Accountants and Attorneys to Realize Business Owners' Exit Strategies

PRICE RAFFEL & BROWNE and The Optran Group have joined forces to form *pro***ACT**, the exit strategy team for business owners and leaders. We invite active participation of attorneys and accountants, as we bring business owners face to face with their exit options.

Our goal is to respond to the remarkable, growing demand - fueled by top business executives' demographics - for transition plans.

It starts with an eye-opening briefing for you and your clients. We cover strategies that can:

- Create a market for the sale of the business when one does not currently exist;
- Allow owners to take some chips off the table and gradually "dollar-cost average" out of the business;
- Sell a minority share of a closely-held S-corporation;
- Sell a majority share and still remain in control;
- Sell 100% of the company and still participate in possible future growth.

Our team presents access to...

- Unique financial programs and special products not available outside our exclusive resource network;
- Tax deferral and bracket-shifting techniques to preserve assets and boost income to the maximum extent legally permitted;
- Continuity plans that ensure business operations will continue - and cash will flow to the family-in the event the owner dies or becomes disabled.

- We do not replace CPAs or attorneys, in fact, typically, clients wish for us to coordinate the exit planning process with their existing advisors.

Let's confer.

409A DEFERRED COMP RULES

Anticipated Treasury/IRS guidelines on the deferred compensation rules, enacted as Section 409A of the Internal Revenue Code by the American Jobs Creation Act, have been issued (April 10, 2007). We are reminding clients that 409A generally applies to amounts deferred after December 31, 2004, under nonqualified plans or arrangements, including employment and separation agreements. We suggest that you review with your clients:

- what constitutes: (i) deferred compensation; and (ii) a general overview of the 409A rules;
- short-term deferral exceptions;
- "separation pay" exceptions;
- safe harbor definitions of "good reason" terminations.

Existing executive agreements providing for deferred compensation must be put in compliance with 409A no later than December 31, 2007.

Call us for further information.

Visit our newly updated, interactive, user-friendly website at

www.priceraffelbrowne.com

It is one of the ways we demonstrate our dedication to

"Your Optimum Quality of Life, the Ultimate Financial Service."