CECB Carnahan, Evans, Cantwell & Brown, P.C.

on the Subject

July 2010

House Passes GRAT Restrictions

by Thomas D. Peebles, Jr.

The House of Representatives on June 15, 2010 passed H.R. 5486, the ***Small Business Jobs Tax Relief Act of 2010.*** Included within this bill are new restrictions which will limit estate planning opportunities with the use of Grantor Retained Annuity Trusts (GRATs). Clients interested in this wealth transfer planning technique should consider acting soon, before H.R. 5486 is passed by the Senate and signed into law by President Obama.

First, some background. A GRAT is an irrevocable trust created by a Client who then transfers assets into the trust which are expected to appreciate in value. Under the terms of the irrevocable trust, the Client retains the right to receive annuity payments from the GRAT for a fixed number of years (the "term"). The term chosen is influenced by a number of factors, including the Client's life expectancy and the volatility of the asset transferred. GRAT terms of 2 to 5 years are common.

The annuity paid from the GRAT to the Client is generally structured so that the value of the right to receive the annuity payments is equal to the value of the assets transferred to the trust. When the annuity is structured in this way, the GRAT is often referred to as being "zeroed-out" because the remainder interest is valued at zero for gift tax purposes. Thus, the payment of federal gift taxes, or the use of the gift tax exemption, can be avoided.

When the GRAT term expires, the annuity payments to the Client cease and the assets which remain in the GRAT, if any, are transferred to (or held in further trust for) the remainder beneficiaries, generally the Client's children or grandchildren. All accumulated income and asset growth in the trust which is in excess of the amount required to make the annuity payments to the Client accrues for the benefit of, and is eventually distributed to, the next-generation family members. As a result, when the trust term expires, it is possible to transfer substantial assets to family members free from any federal estate or gift taxes.

A GRAT will be successful, however, only if the Client survives the GRAT term. If the Client dies while the annuity payments are still required to be made, the trust assets (or at least the portion needed to produce the retained annuity) are included in the Client's estate for estate tax purposes. In this event, the estate tax benefit of creating the GRAT is not accomplished.

H.R. 5486 would impose the following three restrictions on the use of GRATs, such restrictions effective upon the enactment of the bill into law:

First, the GRAT must have a term of not less than ten (10) years.

Second, the annuity payments may not decline during the first ten (10) years of the GRAT.

Third, the remainder interest must have a value greater than zero at the time of transfer.

The use of short term GRATs (in which the annuity is paid for a term of as little as 2 years) obviously minimizes the risk of the Client's death during the term. It is this technique that H.R. 5486 is intended to assault. Imposing the requirement that a GRAT have a minimum term of 10 years increases the risk of a Client's death during the GRAT term and the resulting loss of any anticipated estate tax benefit. In addition, the requirement of a minimum term of 10 years runs the risk that significant short term appreciation in the trust assets will be cancelled out by a return in the long term to more normal values. The requirement that the annuity payments may not decline during the first 10 years of the GRAT removes the option of "front-loading" the annuity payments to achieve the same results as a short-term GRAT.

By requiring that the remainder interest must have a value greater than zero at the time of transfer, HR 5486 eliminates the use of "zeroed-out" GRATs and requires the Client to pay some federal gift tax or use some portion of the Client's gift tax exemption when the GRAT is funded. If the assets in a GRAT fail to appreciate as expected and no assets remain to be transferred to the next-generation family members at the termination of the annuity term, the result will be that the Client paid unnecessary gift taxes or unnecessarily used up a portion of the Client's gift tax exemption.

The GRAT restrictions contained in HR 5486 are intended to raise revenues by eliminating the use of short-term zeroed-out GRATs. Although it is impossible to know if the Senate will agree to those GRAT restrictions, prudence would suggest that now is the time to consider the use of this planning tool. If you have any questions regarding this wealth transfer technique, or any other estate planning issues, please contact any member of our Estate Planning Practice Group.

New Address/Phone Number ?

Simply e-mail us at change@cecb.com

Newsletter Subscriptions

If your would like future copies of our Newsletter e-mailed to you in pdf format, please email us at newsletter@cecb.com

in this issue

State Nexus Activity

by Frank C. Carnahan

North Carolina

The North Carolina House of Representatives proposed legislation mandating the franchisor reporting of specified information, including: an annual report due by May 1 with the name and address of a recipient of consideration paid by an insurer or of a franchisee, date of each transaction, and for insurers: the amount of consideration paid itemized by recipient, and the total consideration paid during the period covered by the report, and for franchisors the gross sales of each franchise located in this State, as reported by the franchisee to the franchisor; the total amount of sales by the franchisor to the franchisee, itemized by franchisee; and the income of each franchise located in this State, as reported by the franchisee to the franchisor.

Puerto Rico

Recently a franchisor with franchisees in Puerto Rico, but without affiliates or employees and not engaged in a trade or business in Puerto Rico, was found liable for the tax imposed pursuant to Article 1233-1(a) of the Puerto Rico Internal Revenue Code of 1994 (PR Code), taxing income actually or constructively received from sources within Puerto Rico. Income in the nature of franchise royalties was subject to the Puerto Rico tax at the established rate of 29%. If a franchisor does not enter into an agreement with Puerto Rico to be directly liable for the tax, franchisees are obligated under §§1147 and 1150 of the PR Code to withhold and pay over the 29% tax directly to the Puerto Rican authorities.

FIN 48 and Reporting For Uncertain Tax Positions

The IRS released the controversial Announcement 2010-9, I.R.B. 2010-7, 408, requiring business taxpayers to report their uncertain tax positions as described in FIN 48. IRS Commissioner Douglas H. Shulman gave the luncheon address on April 12 at the Tax Executives Institute's 60th Annual Midyear meeting in Washington, D.C. and reiterated the importance of the Service's proposed tax reporting for uncertain tax positions – such as alleging a franchisor is not liable for income taxes to a jurisdiction where they have only an "economic presence" but not a "physical presence". ■

A Friendly Reminder to Our Clients - Funding Your Trust

by Emily J. Kembell

Most of our estate planning clients ultimately select a revocable trust agreement as the primary document to dispose of their assets. One of the main reasons they use a Trust, rather than a Will, for disposition of their assets upon death is to avoid probate. Probate is public, costly and time-consuming, and it can be easily avoided if assets are held in Trust at death. This means that the assets must either be titled in the name of the Trustee or the Trust prior to death or, alternatively, transferred at the moment of death by operation of law (e.g., a Pay-On-Death beneficiary designation).

Trust funding begins at the signing of the revocable trust agreement in order for a Trust to be effective. Missouri law requires a Trust, to be effective, must hold an asset at inception. Accordingly, some asset, large or small, must be titled in the name of the Trustee or the Trust immediately after the Trust is signed. Otherwise, the Trust may be invalid.

As soon as our clients sign their revocable trust agreement, we also advise them of the necessity of identifying all of their currently owned assets and then either transferring ownership to their Trust or, arranging for transfer of their assets to Trust by beneficiary designation upon death. In addition to initially funding the Trust, it is also imperative to maintain the Trust – that is, ensuring that newly acquired assets are also titled in the name of the Trustee or the Trust.

The result of failing to properly structure the ownership or beneficiary designations is that such assets will not accomplish our probate avoidance objective. In addition, failure to properly fund your Trust may result in a loss of the estate tax savings objectives. For example, in order to take advantage of both spouse's unified credit amounts, a revocable trust agreement often creates a Marital Trust and a Credit Shelter Trust at the first spouse's death. If there are not enough assets held in Trust at the first spouse's death, then the Credit Shelter Trust will not be fully funded, resulting in a waste of the first spouse's unified credit. Ultimately, more estate tax could be due at the second spouse's death as a result.

We encourage our clients to work with their financial advisors on trust funding. Clients' financial advisors are quite helpful in titling assets in Trust. It is important to remember that qualified retirement accounts often need to be treated differently in order to take advantage of the special income tax rules applicable to those assets.

To ensure that your Trust is properly funded, we encourage you to look at your assets and ensure they are properly held in Trust. If you have any questions on trust funding, please contact a member of the CECB Estate Planning Practice Group. ■

New Accounting Standard Could Change How Tenants Lease Space and Substantially Impact the Commercial Real Estate Market

by Frank C. Carnahan

The Financial Accounting Standards Board is working to merge its generally accepted accounting principles (GAAP) with the International Accounting Standards Board standards, with an impact on the accounting for leases. Currently, American and foreign companies list many leases as footnotes in their financial statements. A new standard to be completed next year and enacted in 2013 that will require companies using GAAP to book leases as assets and liabilities on their balance sheets. Companies will record the cost of rent over the remaining term of the lease as a liability (reducing over the term) and their right to use the space as an asset. There will be no grandfathering under the rule, so any active leases will have to be recorded on the balance sheet.

Landlords will record the obligation to provide space as a liability and rents they are to receive as an asset. Landlords currently book their revenue as rental income, but under the new standard rents received will be recorded partly as interest income and partly as a reduction in the obligation to provide space.

A renewal option term must be included in the term and thus included on the balance sheet if it is likely that the lessee will execute the renewal option. Because this increases debt on the balance sheet, renewal options could

Continued on Page 5

Tax Briefs

by Frank C. Carnahan

Application of FICA tax to payments made to involuntarily terminated workers

In February of 2010, a federal district court ruled in U.S. v. Quality Stores, Inc., 105 AFTR 2d 2010-1110 (DC MI 2/23/2010), that payments made to involuntarily terminated workers by a company going out of business should not be classified as "wages" for FICA tax purposes. The IRS is continuing to follow an older decision by the Court of Appeals for the Federal Circuit that held that payments made to involuntarily terminated workers should be classified as "wages" for FICA tax purposes.

Taxpayers should consider filing a protective claim to preserve their opportunity to receive a refund if the courts were ultimately to decide that severance payments aren't subject to FICA tax. Protective refund claims are filed to preserve a taxpayer's right to claim a refund when the taxpayer's right to the refund is contingent on future events (e.g., future litigation), and may not be determinable until after the statute of limitations expires. Without a protective refund claim, taxpayers will only have a three year statute of limitations in which to seek a refund.

Joint country audits of multinational corporations

IRS Commissioner Douglas H. Shulman said in prepared remarks delivered on June 8 before the OECD (the Organization for Economic Cooperation and Development)/BIAC (the Business and Industry Advisory Committee to the OECD) that the groundwork was being prepared for joint country audits of multinational corporations.

Spouses must request innocent spouse relief within 2 years of first collection activity

The Court of Appeals for the Seventh Circuit reversed a Tax Court decision invalidating Reg. § 1.6015-5(b)(1), which provides that a spouse must request equitable relief under Code Sec. 6015(f) no later than two years from the first collection activity against the spouse. Lanz v. Comm., 105 AFTR 2d 2010-2780 (7th Cir. 6/08/2010). Spouses must request relief within two years of the first collection activity.

IRS announced the implementation of the Quality Examination Process (QEP)

The new process is to be "a systematic approach for engaging and involving Large and Mid-Size Business (LMSB) taxpayers in the tax examination process, from the earliest planning stages through resolution of all issues," replacing IRS's Audit Planning Process. The LMSB Guide for Quality Examinations in Internal Revenue Manual § 4.46 is being updated to reflect this change. In the Pub, IRS explains that the examination can generally be divided into 3 phases: planning, execution, and resolution. See: http://www.irs.gov/businesses/article/0,,id=224139,00.html

Tax lien without filed notice of tax lien continues to apply to excluded property after chapter 7 bankruptcy discharge

The Tax Court in *Vance L. Wadleigh v. Commissioner*, U.S. Tax Court, CCH Dec. 58,243, 134 T.C. No. 14, (Jun. 15, 2010), found that the § 6321 tax lien continued in effect against taxpayer's pension excluded from his chapter 7 bankruptcy estate. A bankruptcy discharge extinguishes only one mode of enforcing a claim, an action against the debtor in personam, leaving intact an action against the debtor in rem (against the property). Title 11 U.S.C. § 522 allows a debtor to exempt from his bankruptcy estate a personal residence, a car, certain property used in a trade or business, retirement funds, and certain other assets, to ensure that the debtor has at least some property with which to make a fresh start. Exempt property initially is part of the debtor's bankruptcy estate, but is removed from the bankruptcy estate and is therefore unavailable to satisfy creditors' claims. Property that is exempt from the bankruptcy estate is not available to satisfy prepetition debts during or after the bankruptcy, except debts secured by liens that are not avoided in the bankruptcy and § 6321 liens with respect to which a notice of federal tax lien (NFTL) has been filed. Unlike exempt property, which is part of a debtor's bankruptcy estate but unavailable to satisfy creditors' claims, excluded property never becomes part of the bankruptcy estate and is therefore never subject to the bankruptcy trustee's or the debtor's power to avoid the § 6321 lien. Thus, if a § 6321 lien on excluded property survives the bankruptcy if it has not expired or become unenforceable under § 6322. ■

The Role of the Missouri Court of Appeals

Richard T. Ashe

Trial court judges are not perfect and, like all people, they occasionally make mistakes. The Missouri Court of Appeals exists to give litigants a forum to address these mistakes, whether perceived or real, and to seek a remedy for any harm caused by the mistake. The Court of Appeals is not, however, a forum to address every conceivable mistake.

In a case without a jury, a trial court judge's primary role is two-fold. He or she must decide: (1) what the true facts are based on his or her assessment of the credibility of the witness testimony and other evidence; and (2) how Missouri law applies to the facts. Mistakes can be made in connection with either of these issues.

From the perspective of the parties, the former is often the most important: Did the judge accurately determine the true facts of the case? If a party believes a judge is mistaken about the facts, and this perceived mistake affects the outcome of the case, that party's first reaction may be to appeal the judge's findings of fact to the Missouri Court of Appeals.

From the perspective of the Missouri Court of Appeals, however, the latter is really the only issue that matters: Did the judge accurately state the law of Missouri and did the judge correctly apply the law to the facts? The reason for this is that a judge sitting on the Court of Appeals did not see any of the witnesses testify and cannot make an independent judgment about the credibility of the witnesses. Only the judge sitting on the bench at trial is in a position to determine the credibility of witnesses and, therefore, the trial judge is the only one in a position to determine the true facts of the case.

As a rule of thumb, therefore, the Court of Appeals is generally only willing to review perceived mistakes by a trial court judge that concern the judge's statements about what the law of Missouri is, and how the law of Missouri applies to the case facts (as separately determined by the judge). The Court of Appeals is generally not a place for a party to re-try the facts of their case. ■

For Your Convenience…

Please feel free to utilize our wireless high-speed internet capabilities when visiting our Springfield office. Using your own personal laptop, you can connect to the internet in any of our conference rooms or in our reception area.

Buyer Beware: The Importance of Non-Competition Agreements

by John L. Waite III

Evaluating and negotiating the purchase of any business today requires a discussion of the company's goodwill, which is partially defined by Black's Law Dictionary as an indicator of a company's "good customer relations, high employee morale, a well respected business name, etc. which are expected to result in greater than normal earning power."

Goodwill is a difficult concept to quantify, and therefore, equally difficult to protect when buying a business. Take for instance a lawn care business that has an established and respected name within the community and an equally established clientele. What happens when the seller decides to open another lawn care business only weeks after selling the prior business to you? And is using his prior relationships and the contact list he kept to "steal" the clients you expected to service, and which provided the accounts receivable history that was relied upon to negotiate the company's purchase price. Furthermore, the seller is hiring your best employees. What now?

The good news is that under Missouri law, and unlike the employee/employer context, non-competition agreements (also known as covenants not-to-compete) that are ancillary to the sale of a business are entitled to "substantially greater liberality in their enforcement." See *Hinderer, Covenants Not-To Compete*, 41 Missouri Law Review 37, 44 (1976). The protection of a business asset, such as goodwill, customer lists, or contacts, can be accomplished through an appropriate non-competition agreement and should be commonplace in the purchase of an on-going business. Essentially, a non-competition agreement can be crafted to ensure that a seller does not improperly compete with the buyer or otherwise solicit the clients or even employees from the business that was sold.

In the prior example, had a non-competition agreement been utilized, the buyer could have prevented the seller from reentering the lawn care business for an appropriate period of time, thereby allowing the buyer to build his/her own relationships with existing clients and employees. Missouri courts recognize that "the spatial and time limitations required in covenants not-to-compete accompanying the sale of a business are designed in part to protect the buyer from the seller's encroachment on the goodwill transferred in the sale." See *Schnucks Twenty Five, Inc. vs. Bettendorf*, 595 S.W.2d 279, 285 (Mo.App. E.D. 1979). Furthermore, where a covenant is given in connection with the sale of a business that is a service provider, the covenant itself is an asset of the business and is a material part of the purchase transaction. See *Orthotic and Prosthetic Lab, Inc. vs. Pott*, 851 S.W.2d 633, 643 (Mo.App. E.D. 1993).

Another interesting legal opinion comes from the Western District of Missouri Court of Appeals where the buyer of a funeral services company executed a promissory note, payable to seller, in the amount of $100,000 as consideration for the seller's covenant not-to-compete, separate and apart from the purchase of the company's other assets. Within the terms of the non-competition agreement was a provision that provided for the forgiveness of the buyer's payment obligations under the note in the event that seller breached his covenant. See *Horizon Memorial Group, LLC vs. Bailey* 280 S.W.3d 657 (Mo.App. W.D. 2009). The Appellate Court upheld the provision and relieved the buyer from approximately $80,000 that was still owed under the note.

The damages caused by or associated with a seller's breach of a non-competition agreement are difficult, if not impossible, to determine at the time such an agreement is executed. And is a textbook example of the importance and purpose of a liquidated damages provision within a covenant not-to-compete.

The significance of non-competition agreements cannot be overstated and must be given appropriate consideration when negotiating the purchase of an on-going business. The use of non-competition agreements go hand-in-hand with the traditional documents involving the purchase of a business, especially those businesses that are service oriented. Such agreements should not be trivialized nor based upon a "form" agreement, but instead should be given extra and specialized attention. ■

CONGRATULATIONS

Thomas D. Peebles, Jr., C. Bradford Cantwell, Emily J. Kembell, Joseph D. "Chip" Sheppard III, John M. Carnahan III, Clifford S. Brown, Front - Sam Hamra

CECB congratulates Sam Hamra, CEO of Hamra Enterprises, for being honored with the Lifetime Achievement in Business Award from the Springfield Business Journal and for receiving the 2010 Excellence in Business Award from OTC. We are extremely honored to serve such a great entrepreneur and humanitarian, and all the great people at Hamra Enterprises.

Back - Thomas D. Peebles, Jr., C. Bradford Cantwell, Front - Patti Penny, Frank C. Carnahan

CECB congratulates Patti Penny and Penmac for being a finalist for the Springfield Business Journal's 1980's Decade Award. It is a pleasure to work with a high quality business that conscientiously applies its motto "we place people first" to its customers and employees.

IRS Quality Examination Process (QEP) Announced

by Frank C. Carnahan

The IRS announced the implementation of the Quality Examination Process (QEP), "a systematic approach for engaging and involving Large and Mid-Size Business (LMSB) taxpayers in the tax examination process, from the earliest planning stages through resolution of all issues," replacing IRS's Audit Planning Process, and the LMSB Guide for Quality Examinations in Internal Revenue Manual § 4.46 is being updated to reflect this change. In the Pub, IRS explains that the examination can generally be divided into 3 phases: planning, execution, and resolution.

Planning phase:

- ***Pre-exam analysis.*** The exam team gathers and reviews information about the taxpayer that is available publicly and within IRS.
- ***Initial planning meeting.*** The exam team holds an initial planning meeting with the taxpayer, reviewing the preliminary risk analysis and the anticipated exam process for the issues identified.
- ***Subsequent planning meetings.*** The exam team and the taxpayer discuss prior audit cycle or exam results, materiality thresholds relating to identification and selection of examination issues, other potential compliance issues and required compliance checks, affirmative issues and/or claims the taxpayer expects to file, strategies the parties will use for resolving compliance issues, and the use of a mid-cycle risk analysis.
- ***Taxpayer orientation.*** The taxpayer provides the exam team with a comprehensive orientation of its business operations. IRS's Quality Examination Reference Guide says this taxpayer information should include:
  - ❍ A general overview of business activities.
  - ❍ A list of significant transactions for the current examination and any other information that is new and/or different from previous examination(s) (e.g., acquisitions, dispositions, tax shelters, accounting method changes - Forms 3115, etc.).
  - ❍ Access to general ledgers; a complete audit trail from these ledgers and financial statements to taxable income; identification and full description of all significant Schedule M-3 book/tax differences and the requisite supporting documentation; breakdown of all general ledger accounts aggregated in Schedule M-3, and reconciliation of Schedule M-3 items to disaggregated general ledger accounts; and any other tax reconciliation workpapers and/or other workpapers in accordance with the Service Policy outlined in IRM 4.10.20.3 (Requesting Audit, Tax Accrual, or Tax Reconciliation Workpapers).
  - ❍ Financial information (such as the general ledger) in electronic format.
  - ❍ List of known and anticipated claims and requested audit adjustments (with all supporting documentation made readily available) to ensure that these items are included in the audit plan.
  - ❍ Exchange of additional transactional and financial information. The taxpayer provides the exam team with business and financial information on acquisitions, dispositions, accounting method changes, tax shelters, book-to-tax reconciliations, etc.
  - ❍ Finalizing the exam plan. The exam team develops and finalizes an examination plan that specifies the issues to be examined, time frames, personnel required, processes to be followed, and the respective responsibilities.

The execution phase includes:

- ***Changes to the exam scope.*** The exam team keeps the taxpayer aware of any potential scope and/or depth changes.
- ***Ongoing monitoring.*** The exam team and the taxpayer regularly review their progress towards achieving the agreed upon milestones.
- ***Discussion of issues.*** Once the examination of a compliance issue begins, the exam team explains to the taxpayer why the issue was selected for examination.
- ***Information Document Requests (IDR).*** The exam team and the taxpayer reach agreement on the procedures for administering IDRs (e.g., notification, IDR content, time frames for IDR responses, etc.).

The resolution phase includes:

- ***Confirming the facts.*** Before issuance of a Form 5701, Notice of Proposed Adjustment, the taxpayer and the exam team discuss the issues under the proposed adjustment. The taxpayer confirms the facts and clarifies its position.
- ***Engaging specialists and experts.*** If appropriate, the exam team engages specialists (e.g., economists, engineers, and financial products experts), technical advisors, counsel and/or other experts.
- ***Issue resolution strategies.*** The exam teams encourage the use of appropriate issue resolution strategies (i.e., Fast Track, Rules of Engagement, Early Referrals to Appeals, etc.) while exams are in progress.
- ***Other issues.*** The exam teams discuss with taxpayers any potential identified issues that may warrant settlement initiative treatment.
- ***Determining areas of agreement.*** The exam teams memorialize the final determinations of issues (i.e., agreed, unagreed, no change).
- ***Next/final steps.*** The exam teams inform taxpayers of next steps in the examination process up through resolution of remaining issues, issuance of the final report and exam case closing.

The IRS also noted that LMSB "Quality Examination Process Reference Guide" (a tool for LMSB revenue agents and exam teams) is available. See http://www.irs.gov/businesses/article/0,,id=224139,00.html. ■

New Accounting Standard

Continued from Page 2

become less popular. Retailers with contingent rents based on a percentage of sales will have to estimate their sales numbers over the entire term of the lease to book the contingent rent on their balance sheet. These estimates will have to be reviewed and adjusted annually. Having to estimate the likelihood of exercising a renewal option or future sales requires forecasting what the lessee is going to pay rather than their legal obligation to pay.

The new rule is meant to stop significant off-balance-sheet lease activity and remove many of the differences in the way companies account for property that they own and property they lease. It may most heavily affect companies already struggling under heavy debt loads, large retailers with hundreds or thousands of leases, and commercial banks with multiple branches. It may cause more companies to buy their offices and drive down demand for leased space, and shrink the length of leases to diminish the amount required to put on the balance sheet. ■

CECB Carnahan, Evans, Cantwell & Brown, P.C.

2805 S. Ingram Mill Road
P.O. Box 10009
Springfield, Missouri 65808-0009

ADDRESS SERVICE REQUESTED

Founded in 1979, the law firm of Carnahan, Evans, Cantwell & Brown, P.C. has offices in Springfield and Branson, Missouri. An "A-V Rated" preeminent law firm by Martindale-Hubbell, our attorneys are engaged in the general business practice of law with an emphasis the following areas:

- Business Organization and Planning
- Corporate
- Estate Planning
- Probate
- Trust Administration
- Transactions
- Real Estate
- Taxation
- Employee Benefits
- Banking
- Commercial Litigation and Dispute Resolution
- Environmental
- Intellectual Property
- Arbitration and Mediation
- Franchise
- Mechanics' Liens and Foreclosures
- Pension and Profit Sharing
- Employment
- Zoning and Land Development

Carnahan, Evans, Cantwell & Brown, P.C. **Attorneys at Law**

John M. Carnahan III
William E. Evans
C. Bradford Cantwell
Clifford S. Brown
Frank C. Carnahan
Joseph Dow "Chip" Sheppard III
Julie T. Brown
Thomas D. Peebles, Jr.
John E. Price
Jennifer K. Huckfeldt
Douglas D. Lee
Rodney H. Nichols
Andrew K. Bennett
Don G. Busch
Russell W. Cook
Richard T. Ashe
Emily J. Kembell
John L. Waite III

Treasury Department Circular 230 Disclosure: To ensure compliance with the requirements imposed by the Treasury Department, we inform you that any U.S. federal tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.