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Valuation News

February, 2000

As part of our ongoing effort to provide valuable information to our growing network of Attorneys and CPAs, Crandall & Brackett, Ltd., publishes this Quarterly "***Valuation News***" to present recent developments in the valuation field. If you have any questions or comments, please do not hesitate to give us a call. (Telephone 630-653-7922, Fax 630-653-7804, E-mail RBrack3958@aol.com, web-site www.crandall-brackett.com)

More on... FLP's

We recently attended the Heckerling Institute on estate planning in Miami. One of the handouts (by Curtis R. Kimball of Willamette Management, Associates) summarized IRS settlement discounts on approximately twenty FLP's from various geographical areas. Roughly half represented primarily real estate assets. The other half were primarily invested in marketable securities. Discounts, on the whole, were 35% to 55% (maybe 5% less for those owning mostly marketable securities).

Estate Planning Transactions

More from the conference... with the advent of the web, investors are falling prey to shady deals in their attempts to liquidate limited partnership interests. The SEC has begun pursuing "Mini-Tender Offerings" due to the quantity of apparent rip-offs.

Final Gift Tax Regulations Issued

The IRS has recently issued final regulations with respect to gift taxes. They establish minimum requirements for (items which should be included in) business valuation reports submitted with such returns.

Our President is Collecting Awards

Our last newsletter mentioned our President's Member Emeritus award from the National Association of Certified Valuation Analysts. He is included in current issues of Strathmore's Who's Who, Lexington Who's Who and the Nationwide Register's Who's Who.

The IRS

IRS agents are now actively taking 40 hour classes in business valuation theory as well as taking arduous testing to demonstrate their increased competency and to obtain certification. To date over 30 agents (engineers) have completed this certification process. Rumors also have begun to circulate that the IRS is about to issue detailed standards with respect to conducting business valuations.

Our Web Site

We have updated our web site and encourage you to visit it if you need to e-mail us or look at (or have access to) our standard contracts or vitae. www.crandall-brackett.com.

Heckerling Institute . . . The 34th annual Heckerling Institute on estate planning (a week of dynamic courses for attorneys) was held in Miami, Florida the week of Jan 10, 2000. If you are interested in tapes of sessions or materials, call (305) 284-3179 or write them at P.O. Box 248087 Coral Gables, FL 33124-8087 (ask for Amy). Better yet, plan on sending a partner next year.

Please remember... The Arthur L. Crandall Award for Excellence in Accounting at Roosevelt University. Should you wish to contribute to its success, please contact us or send your donations to Roosevelt University (Development Office 430 South Michigan Avenue, Chicago, Illinois 60605).

Interesting Cases:

Estate of Harriett R. Mellinger
1999TC 112 (No.4)

Re: Taxpayer prevailed in non-aggregation of ownership.

Estate of Ethel S. Nowell
1999 TC Memo 1999-15

Re: Cites Mellinger, and again allows non-aggregation of equity.

*Crandall & Brackett, Ltd. and its predecessors have been serving
Attorneys, CPAs and Estate Planners since 1965.*

**Our practice is business valuations - always performed in conjunction with the
Company's accountant and/or attorney.**

*Our 24 hour availability and extensive library have been invaluable to
attorneys and CPAs alike.*

Call us with your questions or for a quote on a valuation project.

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