

# The Orange County ENROLLED AGENT

The Tax Professionals

Editor: Dale Quelle, EA • 714-899-2221 • 14340 Bolsa Chica Rd. #A • Westminster, CA 92683-4868

Volume 2009-2010 Issue 1 July 2009

## Welcome to New Members

DeAnna D'Ambra, EA  
John DellaSanta, EA  
Larry Grandfield, EA  
Erica Lane, EA  
CJ Daggett  
Hugo Melo  
Susan Olmsted  
Tish Patterson



## Dinner Menu

Angus Top Sirloin Steak  
Chef's Choice Fish  
Au Gratin Potatoes  
Sweet Corn  
3 Assorted Salads  
2 Assorted Desserts

The Vision of OCEA is to serve, to represent the best interests of Enrolled Agents in Orange County, and to emphasize and enlighten the general public that an Enrolled Agent is the premier tax professional.

The Mission of OCEA is to encourage professionalism, personal growth, and educational growth, while providing member benefits and enhancing the role of Enrolled Agents among the local governmental agencies, other professionals, and the general public.

OCEA is 423 Members strong and proud to be the largest Chapter of CSEA.

July 21st Program  
2 Hr CPE Program

## 2 HOUR ETHICS PROGRAM

### The IRS Says We Gotta Have It! Do You?

Presented by Jamie Gibson, EA

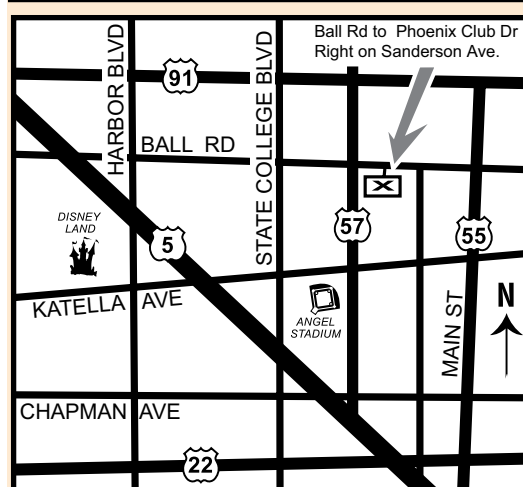


This is not a picture of Jamie Gibson

Enrolled Agents must have several hours of continuing education each year to keep their enrollment license current. A minimum of two hours of Ethics is required each year in addition to the regular continuing professional education. This program fulfills that requirement.

Jamie Gibson is the current President of the San Gabriel Valley Chapter of CSEA. His presentation on Ethics will incorporate Circular 230 and touch upon the new preparer penalties of IRC Sections 6694 and 6695. He will also address IRC Section 7525 regarding confidentiality of taxpayer communications. Jamie will provide samples of the new IRC Section 7216 disclosure statements that tax professionals must use to get approval from the taxpayer before using tax information for any other purpose than to prepare tax returns.

professionals must use to get approval from the taxpayer before using tax information for any other purpose than to prepare tax returns.



**Meetings are held at the Phoenix Club**  
1340 S Sanderson Ave, Anaheim, CA 92806

## Agenda July 21st

4:30 Board Meeting

5:30 Social Time

6:00 Dinner Hour

7:00 2 Hr CPE Program \$40/\$45

\$35 for Member pre-registration before 4:00 P.M. on the Friday prior to the dinner meeting; \$40 for on-site registration and for non-members for meetings with 1 hour of CPE credit. Meetings with 2 hours of CPE credit are \$40 and \$45 respectively. Telephone reservations to Donna Miller at (562) 424-3088 or email [reservation@eaoc.org](mailto:reservation@eaoc.org) (please include your EA number). If you wish to be added to or deleted from the Permanent List, please contact Donna.

## PRESIDENT'S MESSAGE

by Patti Kappen EA



We had the final dinner meeting of the 2008-2009 year on June 16th with the presentation of our annual awards. The Officers and Board of Directors received beautiful gifts thanks to a great job by our awards Chair, Marianne Bretthauer. We also had two special awards this year. Lisa Newton was awarded the Chapter EA Volunteer of the Year and Dale Quelle received a California Society of Enrolled Agents Commendation Letter. Congratulations and thank you to all who contributed time and talent this year. Remember, coming to a dinner meeting is a contribution, each one of you contributes something every time you show up!

On Thursday June 18th, the Board of Directors and other committee chairs and volunteers started our new year at our annual Planning Retreat at the Inn at Rancho Santa Fe. Russell Fox did a great job finding a beautiful serene setting for us to work in. Many ideas were shared and many plans were made for the coming year. One of the most important discussions was how to increase revenue, membership, and benefits for our Members. As we already know from the past, our educational events can be very profitable and we are moving forward with the plans we have in progress and planning some new seminars for the upcoming year. Additionally, we spent a lot of time on discussing improving our Website. I think you are all going to be very pleasantly surprised when you see the final outcome; it is going to be fabulous! Thanks to Lisa Newton and Dale Quelle for all the hard work they are doing to have a Website that will not only work for the members but also represent us in the tax community in a way that is befitting for the largest chapter in the California Society of Enrolled Agents (423 members at last count.)

July 11th starts our SEE class. If either you or your staff is interested in becoming Enrolled Agents, please contact me for information about the class. On August 28th Vicki Mulak will be doing an all day seminar (8 hours CPE) on LLCs –K1s and Abandonments and Foreclosures and Short Sales. These are both very timely and interesting topics for all of us. Please check our Website or contact me for more information. On September 12th our first CTEC/Basic Tax course will start. Many of you may have employees whom you would like to get licensed; please contact John Rumbold (jrumbold@rfa.biz) for more information on this class. OCEA and CSEA provide various education scholarships. Our new Scholarship Chair (and Board Member) Devang Mehta (dmehta@pmaadvisors.com) will be glad to help you if you are interested in applying for a scholarship.

If our coming year is anything like our Retreat, it will be great. Everyone was enthusiastic with great ideas for growing our Chapter. As usual I was inspired by the generosity and commitment from everyone in the room, and honored to be their President. I would have loved for all of you to see how this group is working for you; you would be as proud and inspired as I am.

*Patti*



### The Tax Professionals

#### President

Patti Kappen, EA  
31726 Rancho Viejo Rd #215  
San Juan Capistrano, CA 92675  
(949) 496-1174, [patrecea@aol.com](mailto:patrecea@aol.com)

#### First Vice President

Russell Fox, EA  
13 Leda  
Irvine, CA 92604  
(714) 225-7877 [rfox@claytonservices.com](mailto:rfox@claytonservices.com)

#### Second Vice President

Donna Miller, EA  
2698 Junipero Avenue, Suite 101B  
Signal Hill, CA 90755  
(562) 424-3088, [dmillerea@aol.com](mailto:dmillerea@aol.com)

#### Secretary

Patricia Yeckel, EA  
22342 Avenida Empresa #280  
Rancho Santa Margarita, CA 92688  
(949) 888-2829, [pyeckel@canyontax.com](mailto:pyeckel@canyontax.com)

#### Treasurer

Robin Miller, EA  
PO Box 4424  
Mission Viejo, CA 92690  
(949) 347-8522,

#### Directors

Dan Carlberg, EA  
PO Box 1146  
Orange, CA 92856-0146  
(714) 774-8129, [djcarlberg@sbcglobal.net](mailto:djcarlberg@sbcglobal.net)

John Kristianson, EA  
236 Mira Mar Ave  
Long Beach, CA 90803-6126  
(562) 438-6059, [taxxmann@earthlink.net](mailto:taxxmann@earthlink.net)

Devang Mehta, EA  
22632 Golden Springs Dr., #110  
Diamond Bar, CA 91765  
(909) 861-8100  
[dmehta@pmaadvisors.com](mailto:dmehta@pmaadvisors.com)

John Rumbold, EA  
3 Winterhaven  
Irvine, CA 92614  
(714) 425-7202, [jrumbold@rfta.biz](mailto:jrumbold@rfta.biz)

Lori Page, EA  
2900 Bristol St #B101  
Costa Mesa, CA 92626  
(714) 966-9850,  
[lori@westcoastnumbers.com](mailto:lori@westcoastnumbers.com)

#### CaSEA Director

Lisa Newton, EA  
1901 E. Lambert Rd., #103  
La Habra, CA 90631  
(562) 267-0351, [lisa@eanewton.com](mailto:lisa@eanewton.com)

#### Immediate Past President

Lisa Newton, EA  
1901 E. Lambert Rd., #103  
La Habra, CA 90631  
(562) 267-0351, [lisa@eanewton.com](mailto:lisa@eanewton.com)

# OCEA Summer Seminar 8Hrs CPE

## Friday, August 28, 2009



The Phoenix Club

1340 Sanderson Avenue, Anaheim, CA 92806

8:00a.m. - 5:00p.m. (Registration begins at 7:30 a.m.)

**MEMBERS \$200 FULL PRICE \$225**

(Fee includes lunch & 8 hrs. of CPE)

### **The LLC K-1: Beauty or the Beast (4 Hours)**

Featuring Vicki Mulak, EA

The LLC is the only business entity that does not have its own federal tax form, but must "share" forms with partnerships and corporations. Although the LLC is a flow-through entity, member treatment of flow-through items can be decidedly different from the S corporation K-1 treatment, especially as concerns LLC basis. To complicate matters further, the LLC can even report on the S corporation K-1! Accepted as the most flexible of business formats, the reporting of the LLC income in both single-member and multi-member context will be examined, with special emphasis on member basis in the entity, basis in entity debt, self-employment tax issues, and much more

### **Abandonments-Foreclosures and Short Sales: Dispositions and Debt Relief (4hours)**

Featuring Vicki Mulak, EA

OK...you put that return on extension knowing it included the disposition of your client's troubled or "upside down" property. But now it's time to face that 1099-A and 1099-C "head-on" and finish the tax return. This presentation will address correct tax return reporting for dispositions of principal residences as well as rental properties. Competencies should be achieved in recognition of taxable and non-taxable mortgage relief, proper use of the various exclusions from income, tax attribute reductions required, and completion of Form 982

#### REGISTRATION FORM

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

PHONE \_\_\_\_\_

E-MAIL \_\_\_\_\_

CTEC, EA, CPA # \_\_\_\_\_

☐ VISA ☐ MC ☐ AMEX

Credit Card # \_\_\_\_\_

Exp. \_\_\_\_/\_\_\_\_ Security Code: \_\_\_\_

Please Make Check payable to: OCEA  
\$200 Member Price \$225 Full Price

### **Mail your check and completed**

### **Registration Form to:**

OCEA Summer Seminar

c/o Patti Kappen, EA

31726 Rancho Viejo Road, Suite 215, San Juan  
Capistrano, CA 92675

Questions? please call Patti Kappen

949-496-1174

Fax: 949-496-8084

patrecea@aol.com

PLEASE NOTE: It is OCEA's policy not to issue refunds once a registrant has registered for an event or class. However, a written refund request can be submitted to OCEA's treasurer by the next board meeting for consideration by the board in the following three cases: (1) Cancellation at least 72 hours before the event, or (2) a medical emergency preventing the registrant from attending the event, or (3) a death in the family.

# IRS SPECIAL ENROLLMENT EXAM COURSE

## SESSIONS BEGINNING July 11, 2009

The Orange County Chapter of the California Society of Enrolled Agents is offering a review class to prepare YOU for the new IRS Special Enrollment Exam. The three parts coincide with the new structure of the exam.

- Part 1: Individual Taxation (12 hrs CPE)  
JULY 11, 18
- Part 2: Partnerships, C Corporations, S Corporations, Fiduciaries and  
other topics (27 hrs CPE)  
JULY 25 - AUGUST 1, 8, 15, 22
- Part 3: Practice before the IRS, Power of Attorney, Ethics and  
other topics (6 hrs NO CPE)  
AUGUST 22, 29
- Review: AUGUST 29 (3 hrs CPE)

**Total course hours 48 (Total CPE hrs 42)**

Course Fee: \$925 for the three parts and review. The cost of the textbook is included.  
Registration for taking Parts 1, 2 or 3 separately available – Call 949-496-1174 for price  
Location: Santa Ana Elks Lodge #794—212 Elks Lane, Santa Ana, CA 92701-5011  
Time: 8:30 AM to 3:30 PM  
Instructors: Kathleen Rossow EA, Vicki Mulak EA, Norm Schmidt EA, Donna Miller EA

.....

Enclose your check made payable to: Orange County Chapter, CSEA. OR charge to your credit card.

\_\_\_\_\_ Visa \_\_\_\_\_ MasterCard \_\_\_\_\_ Amer. Express \_\_\_\_\_ 3-digit security code \_\_\_\_\_  
Credit card number \_\_\_\_\_ Exp. Date \_\_\_\_\_  
Your name \_\_\_\_\_ Signature \_\_\_\_\_  
Address \_\_\_\_\_ Phone/days \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Mail to: Patricia Kappen, 31726 Rancho Viejo Rd. # 215, San Juan Capistrano, CA 92675**  
Fax to: 949-496-8084 Email: patti@sanjuanfinancial.com or patrecea@aol.com  
Call for info: 949-496-1174

It is OCEA's policy not to issue refunds once a registrant has registered for an event or class. However, a written refund request can be submitted to OCEA's treasurer by the next board meeting for consideration by the board in the following three cases: (1) Cancellation at least 72 hours before the event, or (2) a medical emergency preventing the registrant from attending the event, or (3) a death in the family.



**JUST for FUN!**

An Irish priest was transferred to Texas .

Father O'Malley rose from his bed one morning. It was a fine spring day in his new Texas mission parish.

He walked to the window of his bedroom to get a deep breath of the beautiful day. Looking outside he then noticed there was a jackass lying dead in the middle of his front lawn.

He promptly called the local police station and the conversation went like this:

"Good morning. This is Sergeant Jones. How might I help you?"

"And the best of the day te yerself. Tis Father O'Malley at St. Ann's Catholic Church. There's a jackass lying dead in me front lawn and would ye be so kind as to send a couple o'yer lads to take care of the matter?"

Sergeant Jones, considering himself to be quite a wit, replied with a smirk, "Well now, Father, it was always my impression that you people took care of the last rites!"

There was dead silence on the line for a long moment, but then Father O'Malley replied, "Aye, 'tis certainly true, but we are also obliged to notify the next of kin."

# Coming in September

## Earn extra income and embark on a new career in tax preparation

CTEC approved 60 hour basic tax prep course taught by tax professionals with years of tax prep experience.

### Here is just some of what you'll learn

- Tax History, Accounting periods & Methods, Keeping Records
- Overview of tax forms, Marital Status, filing Status
- Earned Income, Wages, Tips, Etc.
- Standard Deduction, Personal & Dependent Exemptions
- Deducting the Kids, Child Tax Credit, Child & Dependent Care
- Unearned Income, Interest, Dividends, Etc.
- Itemized Deductions I; Medical Expenses, Interest, Taxes
- Itemized Deductions II; Casualty Losses, Contributions, Misc.
- Tax Benefits of Education, Hope Lifetime Credit, Etc.
- Retirement Income, Pensions, Social Security benefits
- The Sole Proprietor, Income & Expenses
- Depreciation
- Capital Gain Transactions & The Sale of your home
- Retirement Planning
- Rental Income & Expenses plus other Passive Activities
- Travel, Entertainment & Home Office Expenses
- Estimate Payments, Underpayments & Amended Returns
- Ethics
- Plus the California tax implications of the above

### For More Information

**John G. Rumbold, EA, MBA**  
**714-425-7202 jrumbold@rfta.biz**

## Its time to update your web site.

A gentle reminder from the folks at Media Enterprises.

Fast, reliable, experienced people who work for a reasonable rate.

Call us. 714-778-5336 We'll get the job done.

## Slack Tax, Inc.

QuickBooks Pro Advisors

We Solve QuickBooks Problems!

**714-755-1040**

### Barnett & Rubin

A Professional Corporation  
Jeffery Corporate Center  
5450 Trabuco Canyon Rd  
Irvine, CA 92620

Phone: (949) 261-9700  
Facsimile: (949) 261-9799  
email: rick@barnettrubin.com



Richard L. Barnett  
Attorney At Law

DISCHARGE TAXES • State Bar Certified  
Personal & Small Business Bankruptcy Specialist  
Business Formations • Business Litigations • AV Rated

24 YEARS EXPERIENCE PRACTICING LAW IN ORANGE COUNTY

### LET US HELP YOU SAVE TIME & MONEY WITH YOUR TECHNOLOGY INVESTMENT

Helping CPAs, Bookkeepers, Lawyers, and other professional service firms with their computer needs since 1998.

We can help you with:

- Lacerte
- Quickbooks
- CFS Tax Tools
- Timeslips
- Goldmine / Act
- Outlook
- Small Bus. Server
- Win 2000, XP, Vista
- And much more!

949.206.9658

www.eulera.com

**Eulera Networks, INC.**

Get 2 hrs FREE support when you mention this ad.

We manage your technology,  
so you can manage your business...

## Living Trust From \$595.

Rate includes estates with one parcel of California real estate



**The Living Trust  
Company**

4622 Katella Ave, Ste 202

Los Alamitos, CA 90720 563-594-7179

## A PLUS APPRAISALS



John Rydell (562) 425-0564  
jrydell@aol.com

### Real Estate Appraisals

• Homes and 2-4 units for divorces, estates, refi's and sales

### Forensic Real Estate Appraisals

• 1987 to current period for SFR's and 2-4 units LA and OC  
• Fast turnaround  
• \$350 and up.  
• State certified  
• Expert witness for court

## MORTGAGE COUNSELING CAN SAVE YOU TIME & MONEY

- ✓ Solve financial problems
- ✓ Avoid excessive costs
- ✓ Compare loan alternatives

Over 18 Years Experience

PAM DUNN

Office: 714.289.0047

Fax: 714.289.9715

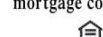
Cell: 714.501.0639

pdmortg@msn.com

1745 W. KATELLA, STE. F, ORANGE



**Mulberry Street**  
mortgage co.



**ABAJIAN LAW**

A PROFESSIONAL CORPORATION

Former IRS Senior Trial Attorney

Let us help you resolve complex Exam Appeals, Tax Court and Collection cases

www.abajianlaw.com

949.833.7110

The ultimate book on California taxes from  
the California tax experts at **Spidell Publishing**

The BEST information on:

Conformity Credits  
Partnerships Sales taxes  
LLCs Corporate tax  
Payroll taxes Property taxes  
Estates and trusts Personal income tax  
Periods and methods And more!

**Purchase your 2009 edition NOW!**

Call (714) 776-7850 for your copy today!  
Or visit [www.caltax.com](http://www.caltax.com) to order

The New California  
Answer Book!

Analysis

Explanation



Spidell Publishing Inc.  
2009 Edition

California  
Taxes

## Accounting Service

- Bookkeeping
- Payroll
- On-site or Off-site
- A/P and A/R
- File Management



\$21.50/hr with \$250/mo minimum  
(800) 688-4281 [info@personable.com](mailto:info@personable.com)

## We find solutions to IRS and State Tax Problems.

FREE Initial Consultation

LaDonna T. Kienitz Esq.

949-300-6951

[www.taxesolutionsite.com](http://www.taxesolutionsite.com)

[LadonnaKienitz@taxesolutionsite.com](mailto:LadonnaKienitz@taxesolutionsite.com)

Appeals, Release of Levies, Offers in Compromise, Representation in US Tax Court

## CLASSIFIEDS

**OFFICE SPACE TO SUBLET** within a professional accounting/tax resolution office. Perfect for Tax Professional or Attorney. 136 square foot private office plus secretarial desk space available at 4001 MacArthur Blvd #103 in Newport Beach. Call Jim Demetriou, EA at (949) 261-2111 7/08

**THINKING OF RETIREMENT?** The Enrolled Agents and CPA's of Winter Accountancy Company are interested in purchasing a tax and accounting practice from a local Southern Orange County Enrolled Agent. If you are considering retirement in the near future, please contact Brian or Kevin Winter at (949) 551-9566 or email us at [Wintertax@aol.com](mailto:Wintertax@aol.com). 12/08

**TAX PRACTICE FOR SALE.** 26 years same North Orange County/ Beach Community Location. Interested parties contact Mary Cumella, EA at (562) 799-5516; (714)-847-6677 or email [mary@mcumella.com](mailto:mary@mcumella.com) 12/08

**OFFICE SPACE TO SUBLET** in Anaheim Hills. 4875 E. La Palma Ave. Ste. 603, Anaheim CA 92807. Fully furnished 120 square foot private office in a 2,400 square foot professional tax/accounting suite. Monthly rent \$600 includes utilities (except phone). Call Fayez Genadry, EA at (714) 696-7150 office or (714) 321-2660 cell. 4/09

*Classifieds available for OCEA members & associates to advertise items for sale or rent, want ads & employment opportunities. Ads run for 2 consecutive months free of charge (longer based on space available. Let us know when your ad is no longer needed). Email to [4quelle@msn.com](mailto:4quelle@msn.com) or FAX to 714-899-2224. Include your name & phone number or email.*

## TAX TEASER by Dale Larsen, EA



Answer: D

Mr. and Mrs. Clark are both 72 years of age, married, filing jointly. They received social security benefits of \$7,500 each. Additional income is a taxable pension of \$12,000 for Mr. Clark and \$6,000 for Mrs. Clark. What is the taxable portion of the social security benefits received by the Clarks?

- A. \$15,000
- B. \$7,500
- C. \$3,750
- D. \$0

## A Time-saver for Tax Pros

Keeping up with federal tax requirements is not easy for tax professionals in today's fast-paced, competitive world.

That's why the IRS offers you a time-saver: IRS e-News for Tax Professionals. E-News is a weekly electronic newsletter that alerts you to what's new, hot and important to know. It's quick to read, easy to subscribe – and it's free.

IRS e-News for Tax Professionals is for the busy tax pro, featuring:

- Tax deadline alerts
- Links to new items on IRS.gov for tax practitioners
- Reminders and tips for helping clients meet their tax obligations
- Quick links to IRS news releases and announcements
- Technical guidance and other resources
- Info about IRS products, services, and training opportunities

Depending on your tax practice and clientele, you may also want to subscribe to these other IRS e-newsletters:

- QuickAlerts e-file messaging system – e-file processing delay alerts, the moment they happen
- Modernized e-File (MeF) News for Partnerships – developments and updates to e-filing guidance, known issues, and information of interest to partnerships
- IRS GuideWire - tax guidance, including Revenue Rulings, Revenue Procedures, Announcements and Notices
- e-file News for Large and Mid-Size Corporations – e-file information for larger business entities and tax professionals
- Exempt Organization Update - developments in exempt organizations tax law and regulations for tax professionals and representatives of tax-exempt organizations
- Tax Exempt Bond Community Update - developments in the tax law and regulations applicable to tax-exempt bonds
- Employee Plans News – developments and events for those interested in retirement plans

Subscribe to one or more of these at [www.irs.gov/newsroom/](http://www.irs.gov/newsroom/) and select e-News Subscriptions from the menu.



*ADDRESS SERVICE REQUESTED*

**www.eaoc.org**

Visit our Website

*The Tax Professionals*

OCEA Newsletter Editor  
Dale Quelle, EA  
14340 Bolsa Chica Rd. #A  
Westminster, CA 92683-4868



**We Are OCEA**

## **UPCOMING PROGRAMS & EVENTS**

<u>DATE</u>	<u>PROGRAM / EVENT</u>	<u>CPE</u>	<u>SUBJECT</u>	<u>LOCATION</u>
July 11, 2009	Special Event	48	Special Enrollment Exam Course	Elks Lodge, Santa Ana
July 21, 2009	Dinner Meeting	2	Ethics	Phoenix Club
August 18, 2009	Dinner Meeting	1	IRS Int'l Enforcement Efforts	Phoenix Club
August 28, 2009	Seminar	8	LLC's and Cancellation of Debt	Phoenix Club
Sept. 14, 2009	Special Event		Basic Tax Prep 60 Hour CTEC Approved Course	Elks Lodge, Santa Ana
Sept. 15, 2009	Dinner Meeting	1	Basics of Trust Entities	Phoenix Club