



Forensic Accounting Today

Newsletter of Ron J. Anfuso, CPA/ABV, An Accountancy Corp.

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Issue 16

Ron Anfuso Addresses Pasadena Bar on Business Valuation

On November 16th, Ron Anfuso spoke to the Tax Section of the Pasadena Bar Association on the subject of tax implications of business valuations in marital settlements. His presentation briefly covered the purpose of business valuations and then focused on standards and premise of value, valuation approaches, discounts and premiums, and lack of control and marketability discounts.

Among Ron's credentials include being accredited in business valuation by the American Institute of Certified Public Accountants (AICPA). This accreditation is awarded to those who pass the ABV examination and meet the AICPA's valuation-related business experience and educational requirements.

Two areas Ron discussed in detail included approaches to value and discounts. The three approaches to value, Ron explained, are the income, market and asset based approach. In discussing the income approach, for example, Ron covered the principle of future benefits, capitalized and discounted returns methods, and common company conditions.

His presentation on types of discounts and premiums dealt with minority interest, lack of marketability, key person and control premium discounts.

If you have questions concerning tax implications of business valuations in marital

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Protect Your Client from Being Encumbered with His/ Her Spouse's Tax Debt

By Ron J. Anfuso, CPA, ABV, CFF, CDFA, FABFA*

In case you are not aware, during July 2011, the Internal Revenue Service issued Notice 2011-70, which made a significant change to stipulations for individuals looking for spousal relief under IRC 6015(f). This notice may help you protect your clients from liability for either underpayment or nonpayment of taxes caused by dishonesty by their spouses. Prior to this notice, there were significant limitations as to when innocent spouse tax relief could be claimed. Notice 2011-70 lifts the previously enforced two-year limit.

If you have not done so yet, I suggest you review the Technical Provisions of IRC 6015, including 6015(b) which "provides an election for relief from a deficiency/understatement of tax liability", 6015(c) which "provides an election to allocate a deficiency/understatement" and 6015(f), which "provides IRS discretion to grant equitable relief from deficiencies and underpayments, if the relief provisions under IRC 6015(b) or IRC 6015(c) do not apply".

Should you have questions concerning applying Notice 2011-70 to a client's case, please feel free to contact me.

Earning Capacity and Unemployment/ Underemployment

By Ron J. Anfuso, CPA, ABV, CFF, CDFA, FABFA

The California Supreme Court defines earning capacity as "the income the spouse is reasonably capable of earning based upon the spouse's age, health, education, marketable skills, employment history and the availability of employment opportunities." *Marriage of Simpson*, (1992) C.4th 225, 14 Cal. Rptr. 2d 411.

Due in part to the current economy, there exists a notable number of cases in which spouses have not made a diligent effort to find employment or positions that meet their earning capacities. In such

Just 1 hour



Spend just one hour with Ron. Enjoy breakfast or lunch on him.

That's all it takes to discover why **Ron J. Anfuso, CPA/ABV** is the better choice.

Call or e-mail us to set up an appointment

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settlements, Ron will welcome your call. You are also invited to post your questions concerning business valuation and other forensic accounting issues to his blog (blog.anfusocpa.com).

cases, you have a greater chance of winning your case on support if you can get your client's spouse to admit he or she is unaware of work that is available within a commutable driving distance, as this indirectly indicates a lack of effort. The spouse will most likely admit this because the spouse believes he or she would be in a worse position by stating he or she knew of a job. If you present this well, the court will likely do its part to motivate the spouse to accept available employment. In all likelihood, this will result in a court order requiring the spouse to find employment, or more suitable employment, by the next hearing date or have the spouse present to the court the specific efforts that have been made to resolve the situation.

If you have thoughts you would like to express concerning this subject, I invite you to post your opinion and experiences on our blog (blog.anfusocpa.com).




FRUSTRATED Your forensic accountant missed the deadline **AGAIN?**

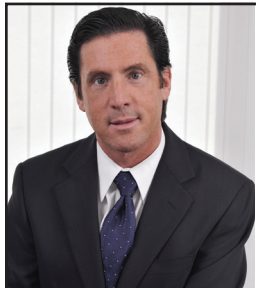
Completing work on time is not that difficult! Yet, we continue to hear frustrations from attorneys about some forensic accounting firms.

Meeting deadlines requires meticulous planning prior to beginning work on a case. It also demands *careful* delegation and timely completion of tasks. **Most importantly, firms should never take on a case unless they have the qualified manpower to timely handle the work.** This is our policy! It's why referring attorneys know they can always count on us to meet their deadlines. Just ask them.



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An Accountancy Corporation 



Need a Financial Expert to Speak to Your Study Group or Bar Event?

Ron J. Anfuso can address any Forensic Accounting topic, including Moore/Marsden; marital standard of living and support needs analysis; financial specialists and Collaborative Law; gross cash flow available for support; DissoMaster™; divorce tax issues; divorce: what to expect; and business valuations. To discuss your group's needs, call Ron today!