

i am avabile to talk at any time, you can call krantz your self as i suggested , get am email from trent to krantz telling krantz its ok to talk directly to you

On Wed, Nov 2, 2011 at 9:25 AM, drsra <[REDACTED]> wrote:

Strange doings going on. Trent sent me this e-mail yesterday & supposedly the sale is set for today. Kranz and the Bank have not communictaed with trent at all about this and Kranz did not return any of Trent's calls/e-mails. I thought about the 1099 tax implications yesterday and spent all afternoon trying to find out my exposure. My CPA said Hardman filed Hardman Development as a S Corp and his understanding is that the Bank will 1099 the Corp and the IRS will consider the forgiveness income for tax purposes. He said since I own 49 % I am be liable for 49% of the taxes. He said selling my shaers will probably only save a small amount because the IRS will proportion the taxes according to the # of days I owned the company. He also said he is unsure about all this because the real estate tax laws have changed rapidly and widely in the past few years. He awns not in his office and could not research it. I called a friend who is a tax lawyer who only litigates cases and he immediately came over to my office. He said I should get an agreement from the bank that says they adopt my affirmative defenses and that they will 1099 Hardman and his wife only. He went back to his office and did some quick research last night and found a surpeme court case (Gitlitz) that say in the case of insolvency the forginess of debt income does not pass thru to the shaerholders if the corp was primarily involved in real estate.

I still have not heard whether there is a short sale set for today. What a cluster!

--- On Tue, 11/1/11, Trent Steele <[REDACTED]> wrote:

From: Trent Steele <[REDACTED]>
Subject: RE: Regions Account 9643
To: "drsra" <[REDACTED]>
Cc: "Peggy Salter" <[REDACTED]>, "Leanne Seibert" <[REDACTED]>
Date: Tuesday, November 1, 2011, 10:41 AM