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## MONTHLY NEWSLETTER APRIL 2009

### **CEREFICE NEWS:**

Anyone who has ever tried to get a book published knows how remote one's chances are. It can take even seasoned writers years before they are able to get one of their books in print. Well we at Cereface are proud to announce that a major publisher has agreed to publish Tom Corley's financial self-help book "Rich Habits". "Rich Habits" answers the question: "What is it that wealthy people do every day that makes them so successful?" The book is the byproduct of over five years of exhaustive research into the daily habits of wealthy people. It is unexpected good news for Tom. The contract was signed on March 25th. The publisher intends to fast track the publication of "Rich Habits" as their panel of independent book reviewers believe it to have significant market appeal. As events progress towards publication we will provide you with monthly updates through this newsletter.

### **COBRA:**

If you were terminated after August 2008 and are currently on COBRA please reach out to Cereface. The recently enacted stimulus package offers incentives that will reduce your COBRA payment by up to 65%.

### **VICTIMS OF PONZI SCHEMES:**

the IRS has issued "Safe Harbor" guidelines on deducting investment losses from a Madoff-type ponzi scheme. A theft-loss deduction equal to 95% of your investments less withdrawals is permitted in 2008.

### **MEALS & ENTERTAINMENT DEDUCTION:**

Generally, only 50% of business meals and entertainment are allowed as a business deduction. There are instances where the IRS will permit a 100% deduction:

1. Meals and entertainment expenses for company picnics;
2. Meals and entertainment expenses for a company holiday party;
3. Meals provided on the employer's premises to more than 50% of the employees for the convenience of the employer.

### **SHAREHOLDER/PARTNER LOANS TO YOUR COMPANY:**

In order to preserve an interest deduction on a loan from a shareholder or partner to their company there are certain requirements that owner/lenders must satisfy:

1. Ensure that the loan is supported by a loan agreement between the owner and their company;
  2. A stated interest rate must be incorporated into the loan agreement;
  3. A payment or amortization schedule must be included in the loan agreement;
  4. Payments in accordance with the provisions of the loan agreement must be made on a timely basis.
- The risk of not complying with these requirements is the recharacterization of the loan payments as a non-deductible distribution of profits.

We thank each one of our clients for their numerous referrals.

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