

Gregory Sullivan
10:30

1/30/12
To: Hilda Black
From: Gregory T. Sullivan
Subject: IRS Taxing Matter

Hilda,

Thank you for notifying me. I would like you to know that I am sorry to hear of your recent problems. I constantly criticize my brother, who now works for the IRS, about their overstrained programs. After receiving your email, I spent this afternoon examining your account statements and your letter from the IRS. Admittedly, I recognize that a large number of our customers fail to understand the IRS's complex polices. However, I hope to clarify this confusing issue for you. ✓

Before writing this email, I reviewed our ^{short} ~~lengthy~~ phone conversation from April. ~~In our conversation,~~ you asked me whether you could rollover funds from one special tax-deferred retirement account into another without paying taxes on any gain. I stated that as long as you completed the transaction within sixty days, accountants would not consider your transfer a tax event. I also mentioned that when you eventually withdraw funds for your retirement income, you must pay taxes on your earned interest. ✓

As stated in your email, you received a bill from the IRS for failing to declare interest on your bonds. I understand your frustration. Many of our customers undergo similar problems. In our conversation, however, we never discussed cashing bonds; we discussed transferring funds from tax-deferred accounts. Thus, I hope you understand that I will not pay your \$1,309.72 in penalties and interest charges. ✓ *ok*

Nevertheless, I mentioned your situation to my brother who works as an agent for the IRS. He happily agreed to research your situation and talk to his superiors. If you would like to meet with me in the near future and discuss this potential option, I may be able to dramatically reduce your penalties. ✓

Please call or visit me at my office if you have any further questions.

Hilda Black
Greg
2/20

Sincerely,

Gregory T. Sullivan
Gregory T. Sullivan

To: Hilda Black
From: Geoff Broschart
Subject: Tax-Deferred Accounts

Hilda,

I am very sorry to hear about your tax predicament. I know taxes are an extremely confusing matter and can overwhelm people easily. I would like to help clear up the misunderstanding we had on the phone back in April. ✓

In our phone call in April we discussed the transfer of funds among tax deferred accounts. These accounts include a 401k, an IRA, a mutual fund, or another, similar account. The only time you pay taxes on these accounts is when you draw funds out of them and must pay the tax on the interest earned. However, on the phone we discussed not the withdrawal of funds, but rather the reallocation of funds between these accounts. If you shift your funds from one tax deferred account to another tax deferred account no tax is paid on the transfer. The only tax required is when you eventually withdraw the money. This is what I told you on the phone back in April in response to your questions. ✓ *good*

True
From your email, it appears that you decided to cash in your bonds. You did not mention bonds on the phone, which is why I did not give you any information on the taxation of bonds. I believe that you confused bonds with tax deferred accounts, but they are not the same. The income earned on bonds is taxable as an investment income. The IRS issued the penalty when that tax was not paid.

Unfortunately, there is no way around this IRS penalty. I realize that this is a stressful time for you, but I cannot pay the penalty because of this misunderstanding. However, this is only a bump in the road. Once this matter with the IRS is settled, we will get your funds back into the proper channels and start making you money again. ✓

Hilda, taxes appear complex and confusing even for accounts and others with careers revolving around taxes. You were always a highly valued client at our firm. If I may make a suggestion, you should come into our office and see me. We can sit down together and sort out your taxes in no time. We had long running and successful consultations in the past, and there is no reason why we cannot continue this excellent relationship in the future.

Please don't hesitate to give me a call for any further clarification. My office always welcomes you. I will also have my secretary give you a call in a few days to schedule a free consultation. I look forward to seeing you, and once again working together. ✓

Sincerely,
Geoff Broschart

Content - Very clear & effective development

Clearly good fluent sentences - and excellent tone/personal intelligence
Correctness

20/20