

## WHO'S NEWS

This summer and fall were full of activities for the WD&W staff. **Dan Holben**, as treasurer of the North Royalton Community Festival, once again assisted with the parade and marched at the finish with several other members. They wore shirts that spelled out "THE" on the front and "END!" on the back. 😊



**Paul Weisinger** guest taught at his daughter's school in Westlake, Holly Lane Elementary, and presented a "Backpack to Briefcase" workshop at Notre Dame College. The topic, "How to Utilize Facebook and LinkedIn," is one of many previous seminars meant to help college students bridge the gap between educational life and professional workplace.

On November 16th WD&W partnered with The City Mission as a drop-off location for their annual Food Drive.

**Judy Mondry** volunteered at the Twinsburg Chamber of Commerce Business to Community Show and was a member of the Planning Committee for the Ohio Society of CPA's Non-Profit Symposium.



**Lori Sullivan, Teresa Wisniewski, Cindy Kula, Linda Reed, Rick Lash, Kim Teague, Tom Scharf, Cris Bade** and various WD&W family members took part in the 2011 Summer Scurry. The Summer Scurry is an annual cancer research fundraiser, where participants complete a 5k or 10k race. This year the event raised \$84,000!

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## Correcting Errors on Your Credit Report

For whatever reasons, errors can and do appear on credit reports. Most frequently, errors are due to honest mistakes or misidentification. Nevertheless, you have a right to dispute errors or misleading information contained in your credit bureau files. Your rights arise under the Fair Credit Reporting Act (FCRA) and the Fair and Accurate Credit Transactions Act of 2003 (FACTA). You may also have rights under other federal and state statutes depending on your situation. If you notify any credit bureau of an error in your report, the credit bureau will conduct an investigation (also referred to as a reinvestigation). If the information is wrong, it must be corrected or removed. It is good to review your credit report on a regular basis, prior to any time that you plan to apply for benefits, insurance, a job, or a large amount of credit. When you receive your report, you should also receive instructions explaining how to dispute information that you believe is incorrect.



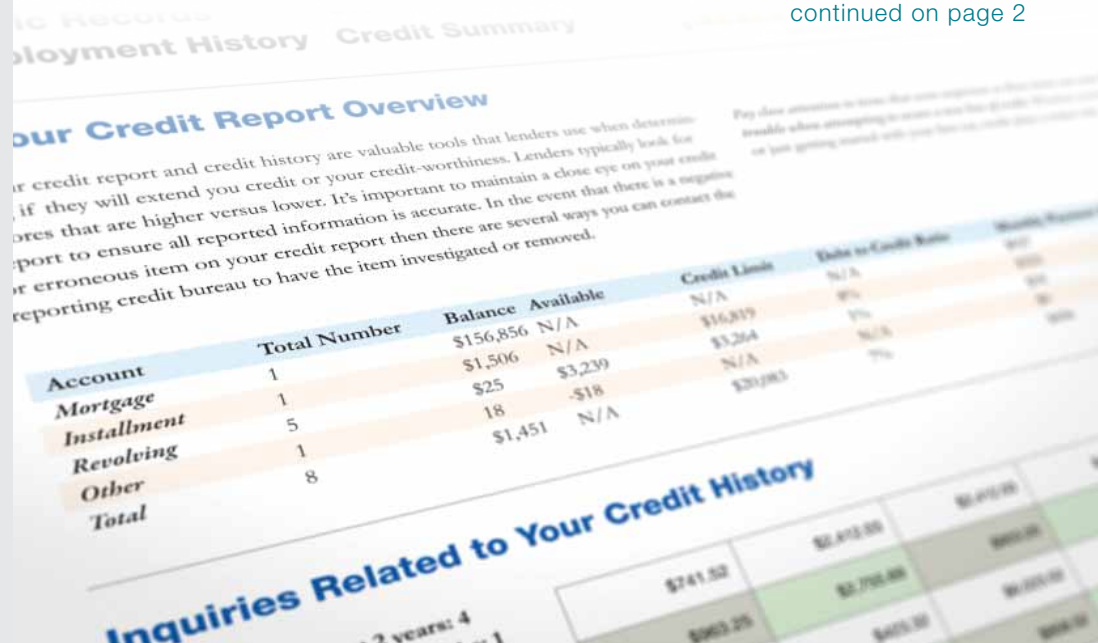
Jean Pavlin, CPA, CFE

### What kind of errors are typical?

When reviewing your credit bureau report, you should look for the following types of errors:

- Incorrect or incomplete personal information, such as name, address, phone number, and Social Security number
- Incorrect or incomplete employment information and history
- Incorrect marital status, including incorrect name of spouse, or a failure to acknowledge a divorce or subsequent marriage
- Incorrect account information, such as an account that is not yours, an account that shows late payments that were paid on time, or an account that is listed twice (once by the creditor and once by the collection agency)
- Identification problems, including information on your report attributable to another person with the same or similar name, or a listing of multiple Social Security numbers attributed to you
- Information about accounts that are attributed to you but that are the result of fraud or identity theft

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# Buy-Sell Agreement: What is it? Why do I need it?

By Paul Weisinger, CPA/ABV, CVA

A buy-sell agreement is one of the most important documents every business with multiple owners should have.



But what is a buy-sell agreement? A buy-sell agreement is a legal document whose purpose is to control who can buy an owner's interest, when they can buy it, the terms of payment and, most important, how the price will be computed.

The transition of an owner's interest in a business will happen upon the occurrence of a "triggering" event. The most common "triggering events" include the death, disability, or retirement of one of the owners. Other events could include a voluntary or forced termination of an owner's involvement with the business such as through a divorce or bankruptcy.

A primary purpose of a buy-sell agreement is to control who can be an owner of a departing owner's interest in a business.

Control features include limitations on transfers of owner interests to outside parties versus family members.

The final aspect of a buy-sell agreement is the method to be used to value the business. By coming to an agreement on a specific way to value the business in advance, the owners will avoid considerable turmoil.

Examples of methods used to value a business, or calculate the payout, are:

- 1) Appraised value – The preferred method by most legal and financial advisors. Upon a "triggering" event, a designated qualified appraiser will determine a binding value to the ownership interest. It can also be a multiple appraiser process where both the buying and selling parties get an appraisal done. But in this process there needs to be some sort of reconciling provision to deal with the potential disparity between opposing valuers.
- 2) Fixed price – Very often this is a price that is agreed by all parties annually and a signed addendum to the buy-sell

agreement is prepared each year. One of the problems that occurs with this approach is that the shareholders will forget to do this annual update and suddenly a triggering event happens and the latest agreed-upon value is several years old and not relevant anymore.

- 3) Formula - In this approach, the owners come up with a formula such as, one times revenues, five times earnings, etc. Mechanically a very easy approach, but it does not take into consideration many economic or intangible factors - thus controversy which leads to disagreements.

Every business owner will transition the business either by death, disability, involuntary or voluntary transition. Since a buy-sell agreement is a formal legal document, it makes sense to plan this out properly with us to ensure that your goals and expectations are properly met. We would be happy to help you plan the best course of action for you and your business. ♦

For more information call us at (216) 573-2330 and/or email me at [p.weisinger@walthall.com](mailto:p.weisinger@walthall.com)

## Correcting Errors on Your Credit Report cont.

- Spouse's debts attributed to you, even though the debts were incurred by him or her prior to the time you were married
- Closed accounts that appear as open
- Omission of statements where they should appear, such as "closed by consumer" or "account under dispute"
- Any information that is outdated
- Any derogatory credit: Indefinitely, if you are applying for a loan of \$150,000 or more, or life insurance, or if you are applying for a job with an annual salary of \$75,000 or more
- Credit inquiries: 10 years
- Criminal convictions: Indefinitely

Generally, you can dispute any information that is incorrect or misleading.

### What if you are a victim of fraud?

If you believe you are a victim of fraud (including identity theft), contact the three national credit bureaus (Experian, Trans Union, and Equifax) and have them put a fraud alert on your file.

Tip: FACTA provides consumers with a new arsenal of weapons to fight against fraud and identity theft. For example, you

can ask the credit bureaus to truncate your Social Security number on any disclosures they send to you, including credit reports. You can also block fraudulent information from appearing on your credit report and get more help from businesses in tracking down the thief. Further, FACTA beefs up the fraud alert system, making it more difficult for the thief to ring up more charges under your name.

Visit our Fraud webpage ([http://www.walthall.com/practice\\_groups/fraud\\_and\\_forensic](http://www.walthall.com/practice_groups/fraud_and_forensic)) to learn:

- How to correct errors on your credit report.
- What to do if you don't get the results you want, but still think you're right.
- Whether or not credit-fixing companies are legitimate. ♦

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# Oil and Gas Investing – In Ohio?

By Ray Onderisin, CPA

Natural gas and oil production has a long history in the State of Ohio dating back to the 1800s. Ohio is blessed with numerous reservoirs located in nearly every county. There have been over 273,000 wells drilled in the state of Ohio, including 431 new wells drilled in 2010, alone. These wells (with a combined production market value of approximately \$700 million) produced approximately 5 million barrels of crude oil and 78 billion cubic feet of natural gas in 2010. The industry currently supports a total of 14,400 Ohio jobs, which represents \$730 million per year in salaries. (Source: www.OOGE.org)



production is here to stay for a while. Include the massive tax breaks afforded to those who have the risk tolerance for this type of investment and there emerges a pretty interesting alternative to earning a few dollars in a typical savings account. You may think that oil and gas industry investing is just for rich Texans who wear ten gallon hats, but think again. Your own neighbors may have already begun to stake their claims in this ever-growing local industry!

There are several different ways for you to participate in the oil and gas drilling and/or ownership industry, but land ownership (selling your mineral rights) and investing in a well drilling venture or partnership are two of the most notable oil and gas investment options for Ohioans.

To read more about these investment options and their tax benefits, go to our Oil and Gas webpage. [www.walthall.com/practice\\_groups/oil\\_gas\\_\\_energy](http://www.walthall.com/practice_groups/oil_gas__energy)

This abundance of oil and gas hidden underground coupled with our country's dependence on oil and gas growing exponentially each year, has made it evident that Ohio oil and gas exploration and

## WHO'S NEWS cont.

**Tom Scharf** spoke at a Fraud seminar for the Cleveland/Akron chapter of Hospitality Professionals. He was also nominated as a Top CFO by *Crain's Cleveland Business*.

**Jim Sprague** gave a seminar at the Ohio Accounting Show on "Finding, Cultivating, and Keeping a Successor in Public Accounting Practice."

**Jean Pavlin** was elected to a two-year term as Vice President of Northeast Ohio's Association of Certified Fraud Examiners.



On a more romantic note, **Chuck** and Sue **Battiato** celebrated their son, Chip's, wedding to Carrie Ashton on October 22nd. It was a wonderful party with 300 of their friends and relatives. Heading down the same path, **Rick Nagy's** daughter, Sherry, just got

engaged to Jason Ziss! Amazingly, Jason's aunt, Joanne, was maid of honor in Rick Nagy's wedding over 34 years ago! Jason and Sherry are planning a wedding for late Summer or early Fall of 2012.

**Mark Turk** has a new grandson! Caleb Turk Stevenson was born to Eric and Allison Stephenson on October 25th at 9:19pm in Lihue, Hawaii. Interestingly, that translates to October 26th, 3:19am Cleveland time - Mark's birthday!

Congratulations to **Rick Nagy's** USTA Senior 4.5 level team. He and Greg Morton, his doubles partner of 45 years, qualified for the national tournament in Surprise, Arizona in April of 2012. They won their match in straight sets over the #1 team from Michigan.

**Judy Mondry** is also doing well in the sports world. Her softball team won the championship game for the Valley View 18+ Softball League!

And, WD&W held its First WWFWF (Walthall Way Fabulous Waffle Friday). ☺



## UPCOMING EVENTS

### January

- 19th** 11:30am-1pm  
Seminar, "Tax Tips for the New Year."  
(Parma Area Chamber of Commerce)
- 24th** Noon-1pm  
Client Tax Update Webinar

### February

- 21st** 8:30-10am  
Seminar, "Tax Tips for the New Year."  
(Heights Hillcrest Chamber of Commerce)

To RSVP call (216) 573-2330 or go to [www.walthall.com/news/events](http://www.walthall.com/news/events) for more information.

## 2011 Best Accounting Firms to Work for

Walthall Drake & Wallace was recently named as one of the 2011 *Best Accounting Firms to Work for*. The annual list of "Best Accounting Firms" was created by *Accounting Today* and Best Companies Group.



This survey and award program was designed to identify, recognize and honor the best places of employment in the accounting industry, benefiting the nation's economy, its workforce and businesses. ♦

## New Business Kit

Thinking about opening a new business? Schedule a consultation and receive the New Business Kit! The New Business Kit is a guide to financial, tax and accounting considerations for successfully starting a new business in Ohio. Schedule your appointment now. (216) 573-2330 or [info@walthall.com](mailto:info@walthall.com) ♦

Free 2011-2012 Pocket Tax Guide!  
(216) 573-2330 or [info@walthall.com](mailto:info@walthall.com)



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## The Walthall Way

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# Happy Holidays!

Since 1944, Walthall, Drake & Wallace LLP has helped businesses with a full range of the following financial and management concerns:

- Business Valuations
- Campaign Finances
- Construction Contractors
- Employee Benefit Plans
- Financial Planning
- Forensic and Fraud Evaluations
- Manufacturing
- Not-For-Profit Organizations
- Oil & Gas/Energy
- Private Clubs
- Real Estate
- Wholesale Distribution

## The Seven Most Common Mistakes on Tax Returns

Mistakes on tax returns mean they take longer to process, which in turn, may cause your refund to arrive later. The IRS cautions against these seven common errors so your refund is timely.

- 1. Incorrect or missing Social Security Numbers** – When entering SSNs for anyone listed on your tax return, be sure to enter them exactly as they appear on the Social Security cards.
- 2. Incorrect or misspelling of dependent's last name** – When entering a dependent's last name on your tax return, ensure they are entered exactly as they appear on their Social Security card.
- 3. Filing status errors** – Make sure you choose the correct filing status for your situation. There are five filing statuses: Single; Married Filing Jointly; Married Filing Separately; Head of Household; and Qualifying Widow(er) With Dependent Child. See Publication 501, Exemptions, Standard Deduction, and Filing Information to determine the filing status that best fits your needs.
- 4. Math errors** – When preparing paper returns, review all math for accuracy, or file electronically; the software does the math for you!
- 5. Computation errors** – Take your time. Many taxpayers make mistakes when figuring their taxable income, withholding and estimated tax payments, Earned Income Tax Credit, Standard Deduction for age 65 or over or blind, the taxable amount of Social Security benefits, and the Child and Dependent Care Credit.
- 6. Incorrect bank account numbers for Direct Deposit** – If you are due a refund and requested direct deposit, review the routing and account numbers for your financial institution.
- 7. Forgetting to sign and date the return** – An unsigned tax return is like an unsigned check – it is invalid. And, remember on joint returns both taxpayers must sign the return. ♦

Source: [www.irs.gov](http://www.irs.gov)