

## President's Message

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August, 2010

The "Restoring American Financial Stability Act of 2010" was signed into law by President Obama on July 21, 2010. This complex legislation (2,300 pages) was passed in response to the financial collapse of the mortgage lending and related financial markets, i.e., investments and insurance in 2008. But how much regulation is necessary to ensure fair and equitable business practices for financial institutions, consumers, and taxpayers?

Whether this legislation strikes the right balance of regulation and consumer protection, or is regulatory overkill, will be debated for years to come as it will take years to implement. Either way the underlying issue behind this financial crisis is ethics, or rather the lack thereof.

Lenders, that offered sub-prime loans to borrowers who would obviously not qualify for conventional loans, as they did not have sufficient income to make the payments, for the short-term gain of loan fees and commissions should have known better. Investment firms that bought packaged sub-prime mortgage loan securities, and then sold them to unwitting investors for short-term profits, should have known better. Consumers, who applied for and accepted such loans, should have applied some common sense, to their decision to buy, that was based on their actual monthly income rather than the promise of rising home prices and corresponding equity growth.

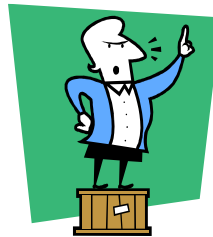
All parties involved should have been aware of the fact that home prices could not, and would not, continue to rise indefinitely as economic growth and recession always occurs in cycles. But, it seems that all parties involved in these types of transactions were only looking after their own interest, the short-term gain, the quick buck, etc.; and apparently did not consider the potential long-term negative impact that these transactions could have on the related financial markets and the economy overall.

Maybe the old-fashioned mortgage lending practice of requiring a down payment and proof of income sufficient to make monthly payments of both principal and interest, rather than no down payment, "stated" income, and payments of interest only, would have provided sufficient regulation to avert the related financial crisis; and maintain realistic growth in the mortgage lending industry, housing, and related financial markets.

Our August speaker will be James Harnsberger, CEO of TaxSmart America Center. He will give us a presentation on "Ethics". The timing of this seminar couldn't be better considering the recently passed financial reform legislation mentioned above. Some of our members have heard Mr. Harnsberger speak on this topic and are very excited about having him speak to our chapter as they report that he is a very dynamic speaker. CPE on this topic is now required of all tax pros so please

come and join us for dinner and great education. Speaking of timely subjects, Society has taken the first steps to contract a professional web site design firm to design new, more professional looking web sites for Society and each chapter with more uniform appearance and functionality. Society is hopeful that, once implemented, the new sites will be attractive, informative, and user friendly to both members and the general public and that this will subsequently attract more "hits" and therefore increase awareness of CSTC by nonmember tax pros and the public as well.

Respectfully Submitted,  
Rick L. Jenkins, President Orange County Chapter CSTC



**Speaker: James Harnsberger**

### **ETHICS & PREPARER RESPONSIBILITIES UNDER THE IRS CHANGES**

James Harnsberger is currently CEO of TaxSmart America Business Centers and works with his wife and CFO, Susan Harnsberger.

James has been in the tax industry for 26 years, and has maintained a special emphasis on business taxation. He has been a certified paralegal with an emphasis in taxation for the past 12 years, and is an approved education provider with CTEC and an approved EA education provider with IRS

He has had a very specialized area of taxation having worked on a number of high profile cases, and has led the research efforts in some cases that have had significant changes in US Tax Court decisions.

He and his wife currently reside in Del Mar California and operate two education facilities in both San Diego and Santa Fe Springs, California.

CTEC: **1000-CE-3106** Hours: 2 Federal

This presentation, if qualified, has been designed to meet the requirement of the director of Practice of the Internal Revenue Service; The California State Board of Accountancy and the California Tax Education Council, including Code 31 of Federal Regulation 10.6(g).

This does not constitute an endorsement by these groups. A listing of additional requirement to renew tax preparer registration may be obtained by contacting CTEC at PO Box 2890, Sacramento, CA 95812-2890, phone CTEC at 916-492-0457 or on the Internet at [www.ctec.org](http://www.ctec.org)



### **On the Web**

Additional information about the Orange County Chapter can be found on the web.

For up-to-date information on continuing education, seminars, chapter meetings, this newsletter and more, please visit our website at [www.cstcsociety.org](http://www.cstcsociety.org)

## “2012 by 2012”

### Society Membership Drive

CSTC is offering a \$25 Education Voucher for any member, in good standing, who brings in a new member (for each new member).



### New Members

- Sandra Stevenson, San Juan Capistrano

### South Orange County Monthly Meeting:

We are planning to have a speaker from the Social Security Administration.

The meeting is at 5:30PM Tuesday, August 24th at the Marie Callender's located at 31791 Del Obispo Str, San Juan Capistrano. The cost is \$29 for members with reservations and \$34 at the door and for non-members. For reservations, please contact Ms. Haydee Robinson at (949) 361-9373. *Members: wear your name badge and be eligible to win a Marie Callender's pie.*



### 2010 Board of Directors

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Director	Daniel Palacios	714-697-2951
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### Classified Ads



### INBODY & WILSON FINANCIAL MANAGEMENT SERVICES

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Looking to purchase 100 to 150 tax clients from anyone ready to retire or downsize. We are not looking for accounting clients. Inbody has been past president of the Association of Business and Tax Consultants, member of CSTC and has over 30 years experience. Wilson has 3 years experience and member of CSTC. Office has been in same location for last 21 years. Call to discuss 714 345-1882 Milton Inbody



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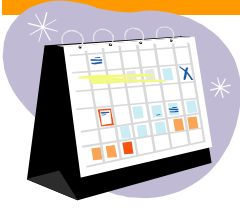
### Society Address

12419 Lewis Street, Suite 106  
Garden Gove, CA 92840  
Tel (714) 750-2782  
Fax (714) 750-2722

### CSTC Mission Statement

To promote professionalism by providing quality education events for tax professionals, by creating and encouraging networking opportunities for members and by advocating professional standards and positions within the tax industry.

The chapter newsletter is designed to provide accurate and authoritative information about the subject matter covered. It is provided with the understanding that the publisher is not engaged in giving legal, accounting or other professional service. If legal advice or other expert help is required, the services of a competent professional person should be sought. Statement of fact and opinion are made on the responsibility of the authors alone. They do not imply an opinion on the part of the officers or members of the California Society of Tax Consultants, Inc.



## Calendar of Events

### MONTHLY DINNER MEETING - SECOND WEDNESDAY

PLACE: 1340 S. SANDERSON AVE, ANAHEIM, CA 92806  
COST: \$33 FOR MEMBERS WITH ADVANCE RESERVATIONS  
\$40 FOR MEMBERS AT THE DOOR, STAFF/SPOUSE  
\$45 GUESTS

OC BOARD OF DIRECTORS MEETING 4:30 PM

TIME: REGISTRATION 5:30 PM

DINNER 6:00 PM

SPEAKER 7:00 - 7:50 PM

BREAK 7:50 - 8:00 PM

SPEAKER 8:00 - 8:50 PM

Excellent Speakers & Topics for Continuing Professional Education Credits for CTEC, CPA's & EA's

#### UPCOMING EVENTS:

IRS Tax Forums

Las Vegas — August 24th to 26th

San Diego — August 31st to Sept 2nd

## Society & Chapter Events

Society Board Meeting September 20th

Society Board Meeting November 15th

#### OTHER CHAPTER MEETINGS . . .

Greater Long Beach

Last Wednesday monthly  
Call Shirley Blanton 562-433-3420

Los Angeles

1<sup>st</sup> Tuesday monthly  
Call John Caven 818-842-5193

South Orange County

4th Tuesday monthly  
Call Haydee Robinson  
1-949-361-9373

## DINNER RESERVATION

Please reserve \_\_\_\_\_ place(s) for the dinner meeting of the Orange County CSTC on Wednesday, August 11th  
All reservations must be received by noon FRIDAY, August 6th or please call by Thursday pm August 5th.

Name: \_\_\_\_\_

Enclosed is my check payable to CSTC for \$ \_\_\_\_\_.

**Advance Registration \$33 members only. Members at the door and Staff/Spouse \$40. \$45 non-members**

**BUFFET:** Garden Salad, Sliced Seasonal Fruit, Ceasar Salad  
Lasagna, Choice of Fish  
Green Beans Almondine, Steamed Veggies  
Black Forest Cake, Strawberry Shortcake

Buffet will include hot rolls/bread & butter, coffee (decaf/reg/ hot or Iced Tea)

MAIL TO: **Fred M. Saah**

2501 E Chapman Ave Ste 140

Fullerton CA 92831-5419

**(714) 879-9880 ext 105**

**Fax 714-879-0710 e-mail [fsaah1129@aol.com](mailto:fsaah1129@aol.com)**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, ST, Zip. \_\_\_\_\_

Registration Number: TPP \_\_\_\_\_ EA \_\_\_\_\_ Other \_\_\_\_\_

Name(s): \_\_\_\_\_ Affiliation: \_\_\_\_\_

Guests Name

**RESERVATIONS:** Notify **FRED SAAH** if you wish to be on the permanent list for the year. Remember that if you are on the permanent list, you must still pay unless you notify at least one day before the missed meeting. Your reservation and payment must reach FRED by noon the Friday before the Wednesday meeting. Members not making reservations will pay \$40 at the door. Guests and non-members pay \$45. All reservations (permanent or not) that are no shows will receive a bill for the missed meeting. (A paid missed meeting does not qualify as a meeting for the free RIA books.) You must cancel by the Tuesday before the Wednesday meeting.



**CSTC Orange County Chapter**  
 1154 E YORBA LINDA BLVD  
 PLACENTIA, CA 92886

# 15 CHAPTERS STATEWIDE

**OUR  
 NEXT  
 MEETING:  
 Wednesday  
 August 11th**

**TO:**

## Directions to The Phoenix Club...

Conveniently located off the 57 & 5 Freeways

5 Southbound exit Ball Road and follow Ball Road east to Phoenix Club Drive, follow the directions below or...

5 Southbound & Northbound exit to 57 Freeway Northbound then follow directions once on 57 Freeway Northbound

57 Freeway Northbound exit Ball Road, turn right onto Ball Road and drive east to the first signal, which is Phoenix Club Drive then...

57 Freeway Southbound exit Ball Road, turn left onto Ball Road and drive east to the first signal, which is Phoenix Club Drive then...

Turn right onto Phoenix Club Drive. Drive past the auto dealers to the second street on the right, Sanderson Avenue. Turn right onto Sanderson Ave, The Phoenix Club is at the end of the street on the left side.



**Monthly Meeting  
 Location:  
 The Phoenix Club  
 Anaheim, CA**