

COLE, EVANS & PETERSON

CERTIFIED PUBLIC ACCOUNTANTS

M. ALTON EVANS, JR.
PARTNER EMERITUS

FIFTH FLOOR TRAVIS PLACE

AUSTIN G. ROBERTSON, JR., C.P.A.
OF COUNSEL

624 TRAVIS STREET

SHREVEPORT, LOUISIANA 71101-3012

www.cepcpa.com

TELEPHONE (318) 222-8367
TELECOPIER (318) 425-4101

MAILING ADDRESS:
P. O. DRAWER 1768
SHREVEPORT, LOUISIANA 71166-1768

SEPTEMBER 2009

KYLE DOBBINS AND MATT HAHN ARE PARTNERS

We are happy to announce that Kyle S. Dobbins and Matthew R. Hahn are now partners in the firm. Kyle and Matt both joined the firm on August 19, 2002 after having received their Master of Professional Accountancy degrees from

Louisiana Tech University earlier that month.

Kyle and his wife Montie' live in Bossier City. Matt and his wife Lori also live in Bossier City and are the parents of two children.

COMING SOON

(AND MAYBE TO A TAX RETURN NEAR YOU)

Effective January 1, 2010, all taxpayers, regardless of income level, will be entitled to the benefits (often substantial) of Roth IRAs. From the Roth IRA's inception in 1998 through 2009, high-income taxpayers were generally denied Roth benefits. As a part of the May 2006 tax law changes, conversions to (but not direct contributions to) Roth IRAs will be made available to all taxpayers beginning January 1, 2010. All taxpayers may, after December 31, 2009, choose to pay the tax on all or any part of their traditional IRAs and convert them to Roth IRAs. Where in-service distributions are available, some profit-sharing plan savings can, by rollover, be transferred

to Roth IRAs as well. Those with significant tax-deferred savings in profit-sharing plans might want to investigate the availability of in-service distributions.

Conversion causes taxes to be paid earlier but results in future income tax savings and possibly death tax savings. Accordingly, it is a significant and complex decision. We have written a paper, "To Roth or Not," that explains the general benefits of and answers some questions on conversions. Please call our receptionist if you would like a copy. The paper is also located on our website at www.cepcpa.com under Resources.

HAVE ABILITY-WILL TRAVEL

MCCORD AND DOBOZE

For many years we have been privileged to participate in the Louisiana State University-Shreveport accounting program by furnishing two scholarships for outstanding students. This year the Cole, Evans & Peterson Junior Scholarship is held by Megan Doboze, a native of Jacksonville, North Carolina. Megan came to Shreveport to attend LSU-S where she has been an honor student. Oksana McCord, who is the

recipient of our Senior Scholarship, traveled even further to LSU-S. A native of Groznyy, Russia, she is the daughter of a Russian Air Force colonel and a biology teacher. Oksana states that she is eager to start her career – a fact evidenced by her 21-hour course load. Our community is blessed with having LSU-S and outstanding students like Megan Doboze and Oksana McCord.

INSURANCE PROTECTION FOR BROKER-HELD SECURITIES

Most of us are generally familiar with the insurance protection provided by the FDIC and the FSLIC for deposits maintained at federally insured banks and savings and loan institutions. You also may want to understand the protection for your accounts maintained with securities brokerage houses.

In general, investments held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) from loss from failure of the broker/dealer to deliver customer securities. SIPC was created by the Securities Investor Protection Act of 1970, but is neither a governmental agency nor a regulatory authority. It is a nonprofit membership corporation funded by its member broker/dealers. All registered broker/dealers in the United States are required to be members of SIPC. In addition to insurance provided by SIPC, many brokerage houses provide additional insurance coverage for amounts in excess of the SIPC limits.

The SIPC provides insurance protection for each account up to a maximum of \$500,000, of which only \$100,000 can be in cash. The SIPC coverage, of course, is not insurance against decreases in the value of investments, but is protection in the event that the broker/dealer fails and is not able to deliver all securities held in the account.

SIPC provides protection to an investor with accounts at more than one brokerage house with each one being protected up to the \$500,000 limitation. An investor also might have more than one protected account (each protected up to the \$500,000 limitation) at the same brokerage house if the customer is acting in a separate capacity with regard to each

different account. Similar to the FDIC coverage, a married couple can have up to \$1,500,000 in coverage with three accounts—his, hers, and joint. Retirement plans and IRAs are treated as trust accounts, separate and distinct from individual accounts. The \$500,000 protection limitation is applicable to the total trust regardless of the number of beneficiaries.

SIPC limits protection of cash amounts to \$100,000 in each account. The \$100,000 cash protection is not in addition to the total protection of \$500,000, but is a limitation on the \$500,000 total protection. The cash protection limitation only applies to cash held by the broker/dealer from the sale of securities or for use in purchasing securities (shares of money market funds organized as mutual funds are, for purposes of SIPC insurance, securities and not cash). SIPC protection covers securities such as notes, stocks, bonds, certificates of deposit, and money market mutual funds; it does not provide protection for any interest in commodities such as gold or silver.

Of concern to an investor is the question of how long it would take to settle a claim should the broker/dealer fail. SIPC states that the time will vary from case to case; but, according to SIPC, most customers can expect to be paid in one to three months. Claims are paid based on the value of the securities at the "value date." Generally, the "value date" is the date on which customer protection procedures are commenced by SIPC. The amount paid based on the worth of the securities on the "value date" in all probability would be different from their value on the date payment is received.