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AUGUST 2026

LSUS SCHOLARSHIP WINNERS ANNOUNCED

Louisiana State University-Shreveport has awarded the Cole, Evans & Peterson Excellence in Accounting Scholarships to Abbra Tullos and Mayssam Shalabi.

Ms. Tullos is expected to graduate in 2027 with a bachelor's degree in accounting and human resources management. She is a member of National Society of Leadership and Success and Tri-Alpha Honor Society. Ms. Tullos balances school, where she currently has a 3.7 GPA, with her work as an accountant and her role as a mother of four sons.

Ms. Shalabi is an accounting student projected to graduate in 2028. In addition to pursuing her accounting education, Ms. Shalabi has been active in preparing and maintaining financial records in a family business.

We are grateful for LSUS and the important role it plays in strengthening our area and preparing its students for future success.

COMMON PROBLEMS HIDING IN OLDER ESTATE PLANS

As discussed in our July 2026 newsletter, an estate plan that has worked well can develop quiet problems over time. Three common issues include the following:

Outdated Beneficiary Designations. Retirement accounts, life insurance policies, transfer-on-death accounts, and certain annuities generally pass according to the beneficiary forms on file with the institution rather than under the terms of a will. Over time, those designations are easily forgotten. Children become adults, divorces occur, spouses pass away, and other family circumstances shift. Assets can pass to those one would no longer choose, and the will has no power to correct those outcomes.

Outdated Fiduciary Selections. Estate plans rely on executors, trustees, attorneys-in-fact, and healthcare representatives, and these individuals are often selected long before they are called upon to serve. A named executor may have developed health problems, moved away, or simply no longer have the time or capacity to handle a complex administration. Family relationships can shift considerably over time.

Gaps in Incapacity Planning. Durable powers of attorney, healthcare directives, and related documents ensure that trusted individuals can make financial and medical decisions if one becomes unable to do so personally. Without them, family members might be forced to pursue court proceedings to obtain authority to manage assets or make medical decisions. This can become a slow, public, and expensive alternative to documents that could have been signed in an afternoon. The issue becomes more pressing as families age, particularly when the spouse who has historically handled the finances is the one who becomes incapacitated first.

An estate plan should be reviewed periodically to determine whether changes are needed or to confirm that the existing plan remains

(*Continued on reverse*)

consistent with one's wishes and circumstances. The value lies in identifying outdated provisions before they create unnecessary problems for the next generation to untangle. We will be happy to discuss these issues and, when appropriate, coordinate with your legal counsel and other trusted advisors regarding potential updates.

Next Month: Why Louisiana Estate Plans Are Different

When an Investment Opportunity Seems Too Good to Be True

"The investor's chief problem, and even his worst enemy, is likely to be himself." – Benjamin Graham

We have periodically reminded readers to exercise caution when evaluating investment opportunities that promise unusually high returns. A recent enforcement action by the Securities and Exchange Commission (SEC) provides another reminder.

In May 2026, the SEC filed a lawsuit against Nathan Fuller of Cypress, Texas and his company, Privvy Investments, LLC. According to the SEC's allegations, Fuller raised approximately $12.3 million from about 150 investors by claiming that proprietary artificial intelligence trading programs could generate extraordinary profits through cryptocurrency trading. Investors were promised returns ranging from 40% to 50% within 30 to 45 days to more than 100% in as little as 21 days, and their funds were protected by insurance and other safeguards.

According to the SEC, millions of dollars of investor funds were diverted to personal expenditures, and additional funds were used to make payments to earlier investors in a Ponzi-like manner. A Ponzi scheme creates the illusion of investment success by using money from new investors to pay returns to earlier investors rather than generating legitimate profits. The SEC asserts that investors received fabricated account statements designed to reassure them that their investments were performing successfully.

The facts alleged by the SEC illustrate several warning signs that frequently appear in investment fraud cases. Investors should be particularly cautious when an opportunity proposal exhibits any of the following:

- Unusually high returns with little or no apparent risk
- Guaranteed profits
- Claims that a proprietary system creates a unique market advantage
- Pressure to act quickly
- Suggestions that only a select group of investors are being given access to a special opportunity

While the details change over time, history provides a reminder that investment fraud is hardly a modern phenomenon. In the 1820s, Scottish adventurer Gregor MacGregor persuaded investors in Great Britain to purchase bonds and land interests in "Poyais," a supposedly prosperous Central American nation. Elaborately prepared promotional materials described fertile lands, thriving communities, and abundant economic opportunity.

But the nation largely existed only on paper. Investors who then traveled to Poyais found undeveloped jungle. Investors lost substantial sums, and the Poyais affair is now regarded as one of history's most remarkable investment frauds.

Although separated by two centuries, the Poyais scam and modern investment frauds share many of the same characteristics: extraordinary promises, limited ability to verify the underlying facts, and investors willing to suspend skepticism in pursuit of exceptional returns.

Many fraudulent schemes succeed because they appeal to emotions rather than careful analysis. The promise of exceptional returns can cause investors to overlook warning signs that would normally raise concerns. A healthy skepticism remains one of the best forms of investor protection. Before committing funds, understand the investment, verify the credentials of those promoting it, and seek independent advice when appropriate. If something seems too good to be true, or simply feels off, walk away.

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Tax & Business Alert

AUGUST 2026

A NEW TYPE OF TAX-ADVANTAGED ACCOUNT FOR CHILDREN

Families looking for another way to save for a child's future may want to consider Section 530A accounts. Created by last year's One Big Beautiful Bill Act, these tax-advantaged savings accounts, also known as "Trump Accounts," are designed to help children build long-term assets. The ability to contribute became available on July 4, 2026. And some children may be eligible for a $1,000 government-funded deposit.

THE BASICS

A 530A account can be established for any U.S. citizen who'll be under age 18 at the end of the tax year and who has a Social Security number. Eligible children born from January 1, 2025, through December 31, 2028, may also qualify for the $1,000 government contribution.

You can set up a 530A account by filing Form 4547, "Trump Account Election(s)," through the online portal, trumpaccounts.gov. You can then track Form 4547 through your IRS online account.

You and any other individual, such as a grandparent, can make annual contributions up to a combined limit of $5,000 (adjusted for inflation starting in 2028) until the year your child turns 18. The $1,000 government contribution doesn't count against the annual limit.

BEYOND FAMILY CONTRIBUTIONS

Employers may establish programs to contribute to employees' 530A accounts. An employer can generally contribute up to $2,500 annually (adjusted for inflation beginning in 2028) for an eligible employee or dependent under age 18. (The annual employer contribution limit is $2,500 per employee, regardless of the number of eligible dependents.)

These contributions count against the $5,000 annual contribution limit. Employer contributions are excluded from the employee's taxable income.

TAX BENEFITS AND ACCOUNT RULES

Contributions aren't deductible for individual contributors, but account earnings grow tax-deferred as long as they remain in the account. Generally, no

FINDING THE BEST OPTION

Before making contributions to Section 530A accounts, consider whether other tax-advantaged savings options might better achieve your goals. For example, if your primary objective is funding a child's education, a Section 529 plan may be a better fit. Distributions used for qualified education expenses are tax-free, and some or all of a remaining balance may eventually be converted tax-free to a Roth IRA, subject to applicable requirements and limits.

If you determine that a 529 plan or other savings vehicle is better for your family, but your child would be eligible for the $1,000 government contribution to a 530A account, seriously consider opening one. Even if *you* never make a contribution, the tax-deferred compounding growth on $1,000 can lead to a substantial balance over time.

distributions can be taken before the year your child turns 18.

Until age 18, investments are limited to certain eligible mutual funds and exchange-traded funds that satisfy IRS requirements. In the year your child turns 18, the account will transition into a traditional IRA. It then becomes subject to the rules governing traditional IRAs. Future contributions generally require earned income and may be deductible if your child is eligible.

Also, starting with the year your child turns 18, distributions can be taken. But the distributions will generally be at least partially taxable, and IRA early withdrawal penalties could also apply.

SEEKING GUIDANCE

These accounts may provide significant long-term savings benefits. Consider how a 530A account fits into your overall financial strategy. If you need guidance, we're available to assist. ■

CHOOSING THE RIGHT BUSINESS FUNDING SOLUTION

Access to capital helps small businesses succeed and grow. Whether you need to cover cash flow gaps, fund expansion plans or invest in long-term assets, it's important to understand all your financing options. This will help you make informed decisions and select funding that aligns with your goals.

5 FINANCING OPTIONS TO CONSIDER

Your business may have access to several types of financing, with most options falling into five broad categories:

1. Lines of credit. This is a common form of financing because of its simplicity and flexibility. Once approved, businesses can borrow up to their credit limit whenever needed without reapplying. It can help meet periodic, temporary cash flow shortfalls. It's often wise to establish a line of credit before you need it, so funds are readily available.

2. Term loans. These loans are issued for a specific period. They're repaid with interest over a set number of years and are mainly used to purchase fixed assets, such as machinery, vehicles and equipment, or to support major business investments.

3. Commercial mortgages. This type of term loan is used to purchase new or existing commercial

property, including retail space, industrial warehouses and office buildings.

4. Government loan programs. Small Business Administration (SBA) loan programs, including 7(a) and 504 loans, are a significant source of funding for qualifying businesses. The SBA periodically updates program rules and lending limits, so review current SBA requirements before applying. Because the SBA guarantees a portion of these loans, lenders may extend financing to businesses that otherwise wouldn't qualify under standard underwriting criteria.

5. Equipment leases. When acquiring equipment, leasing may be a better option than purchasing it outright. This can be especially beneficial for technology that may quickly become outdated. Leasing can help preserve cash flow while allowing businesses to upgrade equipment as needs change.

ALTERNATIVE FUNDING

Your business may also be able to access funding from less traditional sources. Examples include online lenders and specialized financing providers.

They may offer financing solutions that complement traditional lending options, including working capital loans, equipment financing and factoring. Factoring allows a business to receive cash based on outstanding customer invoices, helping improve short-term cash flow.

MOVING FORWARD

Some financing options may offer tax advantages. Interest paid on business loans, including lines of credit, term loans, commercial mortgages and SBA loans, may be deductible, subject to various rules and limits. Payments made under qualifying equipment leases are generally deductible as a business expense.

If you're considering borrowing or exploring alternative funding sources, contact us. We can help you evaluate your options, understand the financial and tax implications and identify financing solutions that best fit your needs. ■

PLAN NOW FOR DEFERRING TAX ON ADVANCE PAYMENTS

With year-end fast approaching, now is a good time to review strategies that could affect your business's tax liability. One area that may deserve attention is the tax treatment of advance payments. Some accrual-basis businesses may be able to defer recognizing a portion of that income.

A TAX-PLANNING STRATEGY

For federal income tax purposes, advance payments generally must be reported as taxable income in the year received. This treatment always applies if your business uses the cash method of accounting for tax purposes. However, if your business uses the accrual method, it may qualify for favorable tax deferral treatment.

Accrual-basis businesses can elect to postpone including all or part of an eligible advance payment in taxable income until the year after it's received. To qualify, among other requirements, an advance payment must:

- Be at least partially included in revenue for a later year according to the business's applicable financial statement (AFS) or, if there's no AFS, be treated as earned in a later year, and
- Be received for goods, services or other eligible items listed in IRS guidance.

If your accrual-basis business receives eligible advance payments in 2026, you potentially can elect to defer reporting some or all of that income until 2027 for federal tax purposes.

THE AFS REQUIREMENT

An AFS can be an audited financial statement used for credit or financial reporting purposes, certain reports submitted to federal or state agencies, or a filing with

the Securities and Exchange Commission, such as a Form 10-K or annual report.

If your business doesn't have an AFS and elects the deferral method, the advance payment generally must be included in taxable income in the year received to the extent your business treats it as earned that year. Any remaining amount is included in income the following year.

IDENTIFYING ELIGIBLE PAYMENTS

Advance payments that may qualify for deferral include payments for services, goods, gift cards, intellectual property and computer software licenses, warranty contracts, and subscriptions. Certain other payments may also qualify under IRS guidance.

However, rents (with some exceptions), certain insurance premiums, payments for financial instruments and some service warranty contracts aren't eligible.

TIMING IS KEY

The rules surrounding the tax treatment of advance payments can be complex. Contact us to discuss whether your business may qualify to defer recognition of advance payments and how this strategy could fit into your overall tax-planning approach. ■

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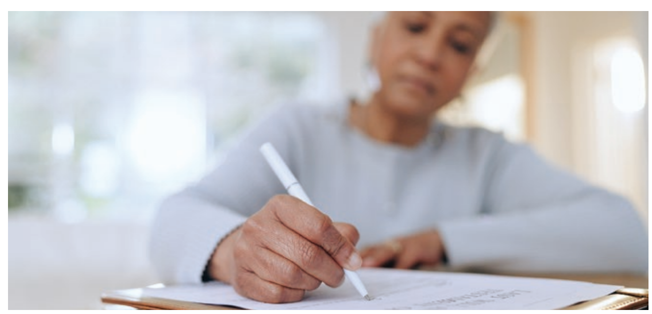
SINGLE? YOU STILL NEED AN ESTATE PLAN

Estate planning isn't just for married couples or parents. If you're single with no children, an estate plan can help ensure your wishes will be carried out, and important decisions remain in trusted hands. If you don't have one, courts or state law may determine how decisions are made and assets are distributed.

PREPARING FOR THE UNEXPECTED

Without a will, state intestacy laws generally determine who inherits assets. While beneficiary designations may control certain accounts, assets without beneficiary designations or joint ownership typically pass according to state law. For singles with no children, state law may call for assets to be distributed to relatives such as parents, siblings, aunts and uncles, or cousins. If no relatives can be located, assets may pass to the state. A will can help ensure your assets go where you intend.

For wealthier singles, there are also estate tax considerations. Singles can't take advantage of the doubled estate tax exemption available to married couples who plan properly. Singles with significant assets should consider estate planning techniques such as trusts to help minimize taxes.



Estate planning also addresses decisions during your lifetime. Powers of attorney can allow someone you trust to handle financial matters and make medical decisions on your behalf if you become incapacitated.

NEXT STEPS

Creating a will, powers of attorney and trusts, if needed, can help protect your wishes and provide peace of mind. Work with your attorney and us to develop an estate plan that will help make sure your assets are distributed according to your intentions. ■