



# CONNECTION

OFFICIAL QUARTERLY NEWSLETTER OF  
CHORTEK & GOTTSCHALK, LLP

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**"One who stands  
on the shoulders of  
giants sees farther  
than the giants  
themselves."**

**Robert Burton  
Author—Librarian**

## Your Company's Future

**T**here is a reality in the marketplace that the "baby boom" generation who has been successful in starting, growing, and maintaining a company, is now considering what to do with it. Pride and sensibility aside, someone will have to continue providing the same quality and service in the marketplace that this generation has. Who is available to do it is the question.

Perhaps the first option is to transition to family or trusted employees where taxable situations must be considered. Maybe your option is to sell this business to someone who represents the same quality and service levels your customers expect, where the legal requirements and due diligence for sale bring several skill sets together.

Chortek & Gottschalk, LLP (C&G) and CGK Investment Banking (CGK) work together to provide the needed scope of services in one location. CGK's mission is to bring the maximum value and price to the table and represent the seller with all of the business experiences and successes they have at their disposal. C&G provides the due diligence from audit, tax strategies for the corporation and individual, representations and warrants from software and hardware, and valuations as required by the transaction. The focus is to maximize your company's value

through proven strategies for today and tomorrow.

The reality of sale forces the thought process of the ownership to realize that someone from the outside is needed to evaluate and document what the company does. The formal process is called an operations review and plan. CGK provides the written image of your company where the good things are highlighted and those things lacking are addressed and known. The deliverable can be the document and action steps to enhance your company's position, with the side benefit being the beginning of the analysis for the eventual sale.

C&G is positioned to be the trusted advisor for that next step with compliance to the laws that govern these type of transactions and by providing the highest quality of audit and tax work. We treat each company's sale as if it were our own and value the trust placed in us as we guide each business owner through this process. ■

CGK in conjunction with Chortek & Gottschalk, presented the seminar, "How To Prepare Your Company For Sale ~ Strategies For Maximizing Your Company's Value Today and Tomorrow", to an interested audience of business owners. Due to the response another date may be offered in January 2008. Call for more information. 262-522-8260.

## CORPORATE COLUMN, Alliott Group 101

In our last newsletter, you learned of our presentations in Brussels at the Alliott Group European conference in May of this year. That article prompted several calls from clients wanting to know more about the Alliott Group and our involvement. This time, we decided to take a step backward and explain what the Alliott Group is, its history and, more importantly, how it can benefit our clients.



As is stated in the logo, the Alliott Group is "A Worldwide Network of Independent Firms" – but what does that mean? The Alliott Group was founded some 26 years ago by Alliotts PLC, a venerable London-area accountancy firm with a long and rich history. Given that many of their clients were either doing business overseas or had plans to do so, Alliotts decided that it would be beneficial to have a network of like-minded firms in other countries to refer their clients to. At its core, the Alliott Group is a collection of firms that have an interest in and a dedication to international business. When you get a chance to meet some of these firms, what you will find is that they are very much like the Chortek & Gottschalk Group – firms that value quality, customer relationships, and are dedicated to ensuring the success of their clients, regardless of where that client does business. While accounting firms were the basis on which the Group was formed, today the Group encompasses numerous other business service firms – from trust service firms in

offshore locations to legal firms in key world business locations. In fact, legal was seen as such an important component in international business that a separate AG Legal was recently founded. Today, AG Legal is comprised of more than 20 law firms in 18 countries and is a rapidly growing part of the Alliott Group.

Overall, the Alliott Group comprises more than 250 offices in 67 countries around the World. The Chortek & Gottschalk Group (including C&G Consulting and CGK Investment Banking) joined the Alliott Group in 2003 as a way to add more value to our clients. The Alliott Group is more than just a "membership" group – member firms must meet and maintain certain stringent standards and levels of quality. The payback for our clients is that when we refer you to an Alliott Group member in another location, we can be assured that you are going to receive the same high level of attention and service that you would receive from us, right here at home.

Unlike many other professional networks, the Alliott Group is an active one, not a passive one. The Group has an active website ([www.alliottgroup.net](http://www.alliottgroup.net)) and holds several working conferences for members around the World each year. These conferences give members an opportunity not only to learn about vital current issues and trends in the business services world, but also a chance to network with each other. This networking opportunity is one of the most valuable aspects of the group, as it creates a comfort level and trust between members



Nick Magone, CPA, of Couto, DeFranco and Magone with offices in New York and New Jersey, attended the 28th Annual Worldwide Alliott Group Conference in beautiful San Francisco. The conference focused on technical issues such as the convergence of United States GAAP and International Financial Reporting Standards, as well as opportunities for our clients in the merger and acquisition arena.

It is here that Nick met our own CGK Investment Banking, also of the Alliott Group. CGK focus on deal sizes of \$5M to \$100M and understand the challenges of closely-held business owners. Nick was quoted as saying, "We finally have a resource within our network to help our clients sell their business in the contemplation of retirement or succession, expand via acquisition or just realizing some cash from a partial sale. Usually resources such as this are reserved for much larger companies."

that cannot be matched by larger groups. While the conferences are typically attended by upwards of 100 professionals, we are proud to say that C&G Group personnel have taken on an extremely active role in this group – Rick Sovitzky, a partner in C&G Consulting is the head of the Alliott Group's Worldwide IT Committee and Tony Alongi, Director of C&G's affiliate CGK Investment

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C&G CONSULTING

With the focus on excellence and customer satisfaction, C&G Consulting provides an integrated approach to help businesses solve technology challenges. Software services focus on implementation and support of all Sage MAS ERP modules, crucial in the success of software projects.

Over 60 years of collective experience supporting MAS 90, MAS 200, and MAS 500, our ERP software implementation team includes:

- CPAs
- Sage Certified Trainers
- Microsoft Certified System Engineers

In providing advice for effective software and data utilization, a key element is the migration of the data from the existing software to the new database. C&G offer customization of information that allows a timely view of the data beyond the standard reports.

"More than just technology people; they are accountants who know technology...a great combination."

## Tax Tips, SUV Tax Breaks Under Attack

SUVs with gross vehicle weight ratings above 6,000 pounds when loaded to capacity are exempt from IRC Sec. 280F, the stingy luxury vehicle depreciation and expensing limitation. These heavy, gas-guzzling vehicles, although not environmentally friendly or economically sound, are hard to beat at tax time.

A \$40,000 automobile used for business 100% of the time is limited to \$3,060 for the maximum first-year depreciation deduction; a \$40,000 light truck or van is limited to \$3,260. In comparison, the first year deduction for a \$40,000 SUV that is used exclusively for business in 2007 will generally be \$28,000\*, a significant tax benefit.

### Not the Law Yet, But Something to Watch-

A provision to slash this benefit

\* [\$25,000 Section 179 deduction + \$3,000 MACRS deduction (20% x \$15,000)].

is currently in proposed legislation before Congress and if adopted as proposed would be effective for property placed in service after 12/31/2007.

Legislators have tried several times to close the SUV loophole, but have never gained traction on the idea, and this time, there may actually be substantial opposition. The repeal of this SUV tax break could hurt the sales of heavy SUVs which is a major source of income for the ailing U.S. auto industry.

This may never make it into law and, the effective dates are always up for change, however, if you are considering purchasing one of these vehicles, you may want to do so sooner rather than later to make sure you get the deductions you're expecting.

The current provision in Congress is in the Renewable Energy and Energy Conservation Tax Act of 2007 (H.R. 2776), that would subject all SUVs with a gross vehicle weight of over 6,000 pounds and up to 14,000 pounds to the Sections 280F luxury auto limits. The bill also would repeal the special \$25,000 heavy SUV expensing limit in Code Sec. 179(b)(6).

(Continued from page 2)

Banking, is one of four members of the group's Worldwide Corporate Finance Committee. This active involvement is helping to raise C&G's profile within the Group.

So what does this all mean to you, our valued client? It means that wherever in the world your business takes you, if you have a need for business services, we can help by putting you in touch with a high quality business services firm that is going to treat you just as you would expect us to. More importantly, rather than just looking up a "member" in a book, you can be assured that we will be referring you to individuals in a firm that we personally know and that know us. In short, your overseas activity has an immediate "leg-up" in its road to success.

We would encourage you to call us to learn more about the Alliot Group and how we might be able to better serve you through this affiliation.



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#### From the Breakroom...

—Nathan Pepin, a consultant for C&G's Business Technology division, exchanged vows with Amy McCarville, August 18th at Lake Windsor Country Club in Madison. Congratulations Nathan and Amy!

—Peaches Senkbeil, C&G's office manager, and Brian Mrozinski, support center manager, participated in the 3 mile Briggs & Al's Run/Walk held on the lakeshore in Milwaukee, WI. C&G has actively participated in the run and walk since 1998. The event has raised more than \$8.5 million for Children's Hospital of Wisconsin, with one hundred percent of the proceeds going directly to help the children. Mark your calendar now for the 31st Briggs & Al's Run & Walk for Children's Hospital, Saturday, September 20, 2008. See you there!

—C&G's intern program recruited students from UW Whitewater and UW Milwaukee. Joining us to successfully complete their education requirements are:

Kyle Kuhn, a senior at UWW, and Carrie Hoepfner, a senior at UWM, are joining the audit team. Katie Girmscheid and Kris Allen, seniors at UWM, are joining the tax team.

—Two dinner and ticket packages to the Milwaukee Bucks vs. Miami Heat on Wednesday, January 9th were donated to the U of W—Whitewater for their annual Auction. Two members of ChorTek & Gottschalk will accompany the 2 winning students as well as attend the auction on November 15, 2007. The winners will be announced in the next newsletter.

—Rick Sovitzky, Partner & Business Technology Consultant, Tony Alongi, Director of CGK Investment Banking, and Greg Juneck, Managing Partner, flew to beautiful San Francisco in September for the Alliot Worldwide Conference.

—Our apologies to Jan Dusold, CPA, for misspelling her name in the 1st Issue Newsletter of 2007. Jan came to the Firm as Tax Manager early in 2007 and brings a strong background in Estate and Gift tax.

C&G can assist your business nationally and globally through our affiliation with the Alliot Group:

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**ALLIOTT**  
GROUP  
A WORLDWIDE NETWORK OF INDEPENDENT FIRMS