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Beyond *the* Numbers

A Crow Shields Bailey PC News Publication

Fall 2011



CLIENT SPOTLIGHT

Gulf Distributing Holdings

Proudly serving the Gulf Coast community since 1935, Gulf Distributing Holdings, LLC and its division companies make up one of the largest beverage distributors in the Southeast, bringing high quality beverage products and services to customers in our area and beyond.



Freida Maisel started the company in 1973 by purchasing the assets of Jax Distributing. Mrs. Maisel emphasized quality service from the start, insisting that people were its most important asset. Son Elliot later took charge and now heads the company as Chairman of the Board of Gulf Distributing Holdings, LLC. The Company's senior leadership consists of Chris Haas, Chief Operating Officer, Billy Dial, President of Alabama operations, Tom Gangle, Treasurer, Jay Cox, Vice President/Corporate Controller, J.R. Ebbitt, Vice President of Operations, James Marston, VP-Chains and Brian Hupp, VP-Strategy & Business Development.

Gulf has worked diligently to expand its distribution area to include the southwest Alabama counties of Baldwin, Clarke, Conecuh, Escambia, Mobile and Monroe. With the acquisition of Allstate Beverage Company, LLC in 2009, Gulf has branched out to central Alabama, including Montgomery, Troy, Dothan and Demopolis. Additionally, since 1999 the company services the Florida panhandle through its majority ownership in Goldring Gulf Distributing Company, LLC. Gulf also serves customers in Mississippi through its ownership of Energy Beverage Management Company, LLC and in Texas through its interest in KEG 1, LLC.

Gulf is an outstanding corporate citizen, working with many special interest groups, charities and non-profits to provide support to needy organizations in our community. Most recently the company has lent a hand to, among others, the Mobile Infirmary Foundation, the Mitchell Cancer Institute, The American Heart Association, St. Jude Children's Research Hospital and Hands on South Alabama, as well as to numerous elementary, middle, and high schools in our area.



See page 7 for an important client notice.

Newsletter Contributors

Kathryn Bradley
Kenny Crow
Trey Johnson
Deborah Fisher
John Shields

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Our Vision

Our firm's objective is to maximize our clients' wealth. We strive to be the premier accounting and consulting firm in our area by offering a complete range of quality services to our clients. We will employ only the best people and ensure outstanding training and long-term career opportunities.

Team Members

Audit Team

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Gulf Shores Office

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Visit our website at: CSBcpa.com



Pictured above l to r: Billy Dial, Chris Haas, Tom Gangle and Elliot Maisel.

Gulf is also a fixture at local sporting and music events including The Under Armour Senior Bowl, The Go Daddy.com Bowl, USA football and baseball games, musical performances at The Wharf Amphitheatre in Orange Beach, Mobile's Bay Fest, The Alabama Deep Sea Fishing Rodeo, The Hangout Music Festival in Gulf Shores, The Mobile Bay Bears at Hank Aaron Stadium, The Miller Lite Scratch Golfing Tour and racing events at the Mobile Speedway. And Gulf has long been a part of the Alabama and Auburn alliances.

The company represents many of your favorite beverages, including products from MillerCoors, Heineken USA, Boston Beer Company, Crown Imports, LLC, D.G. Yuengling & Sons, Sweetwater, Abita Brewing, Diageo - Guinness USA, North American Breweries, F.X. Matt Brewing Company, Magic Hat Brewing Company, Sierra Nevada, Long Trail Brewing Company, Harpoon Brewing Company, and Polar Brewing Company.

And while beer products are the companies' mainstay, you might be surprised to learn that non-alcoholic products such as Red Bull, Snapple, Arizona, Nestle and 7-Up have quickly become a large part of Gulf's offerings. In fact, Gulf today is the distributor for over 20 non-alcoholic beverage suppliers.

CSB is proud to have helped Gulf with its accounting and tax needs for nearly 40 years, originating with the Dudley, Chateau & Cox firm, and more recently with CSB. Elliot is quick to point out that our firm has played an integral part in the company's success: "We have relied on CSB's integrity and accounting and consulting services for over a quarter of a century, and look forward to a continued relationship with them for years to come."

To learn more about the Gulf companies and to see a complete listing of the products they deliver, visit their website at www.gulfdistributingholdings.com.

Team Member **news**

Tim Adams was recently promoted to Supervisor. Tim has been a valued CSB team member for nearly five years and works in the areas of tax and audit. He is married to Gretchen Buschmann and they have two sons: Mitchell (3) and Luke (2). Tim is a member of St. Dominic parish and serves on the board of Habitat for Humanity.



Tim Adams

Amy Ruth Russell and John Reese Bedsole were married on June 18 at St. Paul's Episcopal Church. A reception followed at the Country Club of Mobile. Afterwards, the couple enjoyed an exciting ten day trip to Italy.



Amy Ruth Russell and John Reese Bedsole recently received The Lifetime Achievement Award from the Kentucky Assisted Living Facility Association. He was nominated by his facility in Louisville, KY and was the resident chosen over all the other facilities in the State.

Norbert Blume, 88, client and father of team member **Barb Frerman**, recently received The Lifetime Achievement Award from the Kentucky Assisted



Norbert Blume and Senator Powers

Norb served in the US Navy during World War II aboard the aircraft carrier USS Randolph. He was a member of the Kentucky State Legislature from 1963 through 1978. In 1972, he was elected Speaker of the House of Representatives where he served for six years. While in the Legislature, he introduced a bill for Fair Housing and Civil Rights which was later known as the "Blume Bill." During 1972 through 1978, Norb served on the Executive Board of National Conference of State Legislators. At that same time, he served on the Governing Board of the Council of State Government. Norb ran for Congress in 1964 and 1966 and attended three national democratic conventions in 1964, 1968 and 1972. He also served thirteen years on the Board of Trustees at the University of Louisville. In 2005, he was inducted into the Civil Rights Hall of Fame.

With all these achievements, Norb will be the first to tell you that his greatest achievements were his seven children, with his wife Marie, sixteen grandchildren and sixteen great-grandchildren...and counting!

Senator Georgia Davis Powers presented his award. Georgia is the first female African American senator in Kentucky.

Phillip, Kathryn and Evan Bradley welcomed Reed Morgan into their family on May 4. He weighed 6 lbs 12 ozs and was 20" long.



Evan and Reed

Please be sure to stop by our reception area to see the beautiful, framed American flag that **Jo Chateau's** son Dr. Steven

Blackwell sent us. The flag was flown in Afghanistan, where Dr. Blackwell served, in honor of CSB on March 21, 2010. CSB is proud to display such a special symbol of our freedom and to honor those who have served our great country.

Neil Christopher recently passed the difficult certified public accountant exam and has been promoted to Senior Accountant. Neil has been with DCC/CSB since November 2006, initially part-time while in college and then full-time after finishing school. Neil is married to Whitney Chico and they are expecting their first child, a baby boy, in November.

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Kenny Crow and Lanny Russell

The Ronald McDonald House of Mobile held their Patrons Party in May to recognize the major donors who made the new addition to the house possible. **Kenny Crow** chaired the capital campaign for this project. This was not an easy task, to say the least, in such difficult economic times. However, as you might imagine, Kenny did not let that discourage him in the least. In true Kenny Crow style, he got busy identifying prospective donors and then making phone calls and personal visits to help raise the needed funds. As a matter of fact, he went on every single call that involved large donations.

Kenny had quite a surprise in store for him at the party. He and Lanny Russell (the architect for the project) were recognized for going above and beyond to help make the addition to the house a reality. Glass bricks with their images etched in them were unveiled and will be permanent reminders of the dedication of two loyal supporters of such a great facility!

Congratulations to Kenny for a job well done...we are proud of you!

Kenny Crow, III completed the Master of Accountancy program at the University of Alabama and has accepted an associate position in the auditing department at Sellers Richardson Holman & West, LLP in Birmingham.

Deborah Fisher (formerly Martinsen) graduated from the University of South Alabama in May, Magna Cum Laude and with departmental honors. She received a Bachelor of Science degree in Administrative Sciences with an emphasis in Human Resource Management.

David Gonzalez, son of Mike and Lisa, will be joining the United States Navy in October. He will be leaving for the Naval Recruit Training Command in Great Lakes, Illinois on October

30. Once he graduates he will go to "A" school to become a Navy Hospital Corpsman.

Barb Frerman has a new grandson! Andrew Blaize Frerman (son of Josh and Kathryn) was born on April 7. He weighed 6 lbs. 12 oz. and was 19 ¼ inches long. Nicholas and Rachel Frerman are also expecting a new addition in January, 2012.



Ava and Andrew Frerman

Jason and Sara Beth Dudley (son and daughter-in-law of Bruce Dudley) welcomed triplets, Sara Frances, Brooks and Davis, into their family in December.



The Dudley triplets, from left, Sara Frances, Brooks and Davis
Photography by Rogan's Photography

Laura Shields (daughter of John and Therese) and James Brangle were married on April 30 at All Saints Episcopal Church, followed by a reception at Stewartfield on the campus of Spring Hill College. Laura and James reside in Birmingham.

Ryan O'Connor, son of Guy and Katie, graduated from McGill-Toolen Catholic High School in May. He was a member of the National Honor Society and Christ the King Lightkeepers Youth



Laura Shields and James Brangle
Photography by Fotoatelier.zenfolio.com



Ryan O' Connor

Group. He was a Student Ambassador, Campus Ministry retreat team leader, and an Eagle Scout. He is attending Auburn University.

Morgan Prestwood joined the CSB tax team on August 1. Morgan interned with CSB in the spring of 2010 while completing his undergraduate



Morgan Prestwood

Henry Shields (son of John and Therese) joined the United States Marine Corps, having recently graduated from boot camp at Parris Island, S.C.



Pfc Henry Shields

CSB Golfers

CSB golf team (Chris Corbett, Joe Granade, Lott Brigham and Martin DeVaney) tied for best overall score, then received 3rd place in a tie breaker in the Zoghby-DeVaney Golf Tournament in April.

Our team (Brian Moore, John Bedsole and Martin DeVaney) won first place in the Mobile Young CPA Society golf tournament in May.



Brian, Jonah, Kristi and Jamison Daughtery at Jonah's pre-school graduation. Jonah started the K-4 program at St. Patrick's School in August.



Interns from l to r: Will Newman, Jep Hill and Lott Brigham

CSB Interns

CSB provided internship opportunities to three University of Alabama students in the Spring. Lott Brigham, Jep Hill and Will Newman were all Seniors at UA's Culverhouse School of Accountancy and got to experience what it's like to be accountants during busy season!

Our summer interns were Alex McGowin and Michael Rebarchak. Alex graduated from Ole Miss and is attending graduate school at the University of Alabama. Michael graduated from Birmingham Southern in May and is currently studying for the CPA exam.

These guys did an excellent job and we look forward to keeping up with their progress.

CSB Client Portal

We are now using a secure client portal to exchange sensitive files with clients, financial institutions, etc. The portal is a safe and efficient way for CSB to provide copies of tax returns, financial statements, and other documents created in programs such as Microsoft®, QuickBooks®, and Adobe® to name a few. You can send us QuickBooks® files, your completed tax organizer, signed e-file forms and many more. The ways in which we can use the portal are endless! And rest assured ... the process is quite simple.

We will create portals on an as-needed basis, such as when you need us to send sensitive documents to you (or your financial institution) or when you need to send sensitive documents to us. If you would like to know more, please contact Deborah Fisher at deborahf@csbcpa.com.

CSB works with Gulf Coast Claims Facility

In late April of 2010, the Deepwater Horizon Oil Well exploded in the Gulf of Mexico and killed 11 workers. The explosion set off the biggest oil spill in US history and poured millions of gallons of oil into our Gulf waters. The well was finally capped on July 13th, ending weeks of speculation as to British Petroleum's ability to stop the flow of oil and begin the cleanup process.

As we all remember, our Gulf Coast area was immediately affected. Businesses directly involved in the tourist industry began to see their sales fall off drastically right after the spill, while the trickle effect to other businesses quickly followed. The perception of those outside our immediate Gulf area was that the beaches were covered in oil and the seafood would be tarnished indefinitely.

Crow Shields Bailey was in a unique position to help our clients due to our long-standing presence in Gulf Shores and Mobile. Several of our clients were significantly damaged by the BP spill and we set out to help them.

First, we read the information published on the BP website and other postings to learn as much as possible about the claims process. Next, we attended meetings held at various sites on the Coast to learn more about the methodology that BP would utilize to define a business or individual's "loss of income". And finally, we visited BP claims offices in Mobile and Baldwin counties to meet face-to-face with adjusters and discuss the claims process.

Despite BP's stated policy of keeping the claims' process fair and uniform, we quickly realized that it was inconsistent and lacked transparency. We made appointments several times a week with the Orange Beach and Mobile BP claims' offices to assist our clients in computing their loss-of-income claims. This process proved frustrating as we often got different answers to the same question depending on the adjuster with whom we spoke. As a result, we experienced marginal success in helping our clients file for the emergency payments BP was offering during the first few months after the spill. Our clients were losing money every day and growing increasingly frustrated.

On August 23, the Gulf Coast Claims Facility ("GCCF") headed up by New York attorney Ken Feinberg took over the claims' process. Any progress made with BP was now obsolete, with the GCCF now requiring claimants to get new claim numbers and start the process anew. Nonetheless, we were

hopeful that the GCCF's methodology would be transparent and contain clearer guidelines for the claims' process.

Unfortunately, this didn't happen. The GCCF would not disclose their methodology completely, and we continued to assist our clients by making assumptions from our limited experience with BP. The "new and improved" GCCF claims process was going nowhere fast and our clients' frustration levels escalated as they continued to lose money, with no help in sight from the GCCF. What now?

In early November, we arranged meetings with the mayors of Gulf Shores and Orange Beach, Robert Craft and Tony Kenon. A client accompanied us that we considered a "poster child" of all claimants, being the owner of two retail businesses located on the beach in Gulf Shores and Orange Beach that sold directly to tourists. Both of the mayors were very responsive to the problems we were experiencing with the claims process, and they acted immediately by passing on these concerns to political representatives such as Congressman Jo Bonner, Senator Jeff Sessions, Senator Richard Shelby and Governor Bob Riley. It worked.

Within a few weeks, we were called to a meeting in Gulf Shores with Mr. Feinberg, both of the local mayors, other professionals and their clients. This meeting was the start of real progress. The most significant result was the arrangement of a meeting with forensic accountants from Price Waterhouse Coopers to get a better understanding of the methodology used to compute the loss-of-income claims.

We met with the PWC accountants in March, May and August of this year. At these meetings we made strides in establishing a methodology for computing our clients' claims, and the success was remarkable. Nearly all of our clients with large claims had them approved and received determination letters from the GCCF. Each of them was then in a position to consult with their attorneys to decide whether to accept the GCCF's "interim" and "final" offers.*

We are proud that we could assist our clients in computing their potential BP oil spill loss claims and presenting it to the GCCF. If you have any questions about the process, please call our office.

**We do not represent our clients on legal matters, and any decision to accept or deny an offer from the GCCF, BP or related parties for oil spill damages should be made only after consultation with your attorney.*



Ding-Dong the witch is dead

You remember the ole' Wicked Witch of the West from the Wizard of Oz, don't you?

Thought she was dead?

Well, she reappeared last year in the form of some onerous legislation that expanded Form 1099 reporting requirements for most business and rental-property owners. Though not actually found in the legislation, the gist of the law read as follows:

“Well, my little pretty, I can cause accidents too! How about a little fire, Scarecrow?”

Thankfully, our legislators came to their senses and snuffed out the ole' witch.

New Law Repeals Expanded 1099 Reporting Requirements

On April 14th President Obama signed into law legislation that repeals some mighty “witchy” legislation: Expanded Form 1099 information reporting requirements for certain business payments and rental property expense payments.

The **Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011** specifically repeals:

- the requirement for businesses, charities, and governmental entities to report payments to companies for merchandise purchased in the aggregate of \$600 or more (originally effective for 2012),
- the requirement for rental property owners to report expense payments in the aggregate of \$600 or more (originally effective for 2011), and
- the requirement for businesses, charities, governmental entities, and rental property owners to report payments for services and merchandise to corporations (other than attorneys and certain health care providers) in the aggregate of \$600 or more (originally effective for 2012).

The repeals under the new law are retroactive, thus reinstating the status quo for Form 1099 reporting as established prior to enactment of the **2010 Patient Protection and Affordable Care Act** and the **2010 Small Business Jobs Act**.

In general, businesses must only report payments to service providers, not purchases of merchandise in the aggregate of \$600 or more, and the current exception for not reporting payments made to corporations (except attorneys and certain healthcare providers) remains intact. Furthermore, rental property owners must report payments to service providers only if their activities rise to the level of a trade or business. The repeal of the expanded 1099 reporting will surely reduce the burden on taxpayers, especially on small businesses.

Soooooooooooo..... What say you now, ole' Wicked Witch?

“You cursed brat! Look what you’ve done! I’m melting! Melting! Oh, what a world! What a world! Who would have thought a good little girl like you could destroy my beautiful wickedness? I’m going! Ooooooh! Ooooooh!”

To which business owners responded:

“Ding, dong the witch is dead!”

Which ole' witch?

The Wicked Witch!”

Let us hope that repeal of this ill-conceived Form 1099 legislation has melted the Wicked Witch of the West.....for good!



ATTENTION CSB Clients

In order to insure you don't miss important information, we are updating our client email addresses and could use your help. Please contact Jennifer Brothers at jenniferb@csbcpa.com with your name and current email address or call our office at (251) 343.1012.



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