

ASWA FAX RETURN

American Society of Women Accountants — Houston Chapter No. 33 www.aswahouston.org

Member of *The Federation of Houston Professional Women*

VOL. 57 No. 4

Membership Meeting October 21, 2008

Speaker: Stewart A. Feldman

Topic: Tax Benefits of Captive Insurance Planning
for Privately Held, Middle Market Companies

CPE: 1 hour Level: Basic Prerequisites: None

Where: The Briar Club, 2603 Timmons Lane
(corner of Westheimer and Timmons Lane)

Parking available in the member parking area across the street
from the Briar Club. Valet parking is available.

Time: 5:30 p.m. Networking:
6:15 p.m. Dinner
7:00 p.m. Speaker

Early bird reservations by Wednesday 5:00 pm prior to meet-
ing:

Members and 1st time guests	\$30
Returning guests	\$35

Late reservations and walk-ins:

Members and guests	\$35
Returning guests	\$40

Administrative Policy: Per ASWA standing rules, if you regis-
ter and do not attend, you will be charged for the regular meet-
ing price.

Reservations need to be made by the Wednesday preceding the
meeting to Brandi Lucher at brandilucher@yahoo.com. Please
contact Brandi with late reservations, even on the day of the
meeting. Special dietary requirements available upon request

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From the President

By: Kristi DeNardo

Greetings!

I hope and pray that you all have recovered from Hurri-
cane Ike. I am aware of a number of our membership
having no power for several days, as well as some hav-
ing fairly severe damage to property. I am thankful that
no one was injured.

This year's Joint National Conference is October 28-30
in Dallas. This is a terrific conference with tons of net-
working and CPE opportunities. Please make plans to
attend. Melanie Norton, Colene Blankenship, and
Phyllis Martin have agreed to serve as delegates to the
conference representing the Houston chapter. In addi-
tion, Melanie and Colene will be serving as Proxy and
Alternate for the Little Rock chapter!

Please let me know of any newsworthy events to in-
clude in the newsletter. Promotions, commendations,
certifications, engagements, baby news, or whatever.
We want to share in your achievements!

Your committee chairs are still seeking committee
members. This is a wonderful time for you to decide
where you can serve best—the committee list is located
on page 2 of the bulletin. Please e-mail the chair if you
are interested in serving. Also, please e-mail ideas for
meetings to Melanie Norton at mnorton@bvccpa.com
and for the newsletter to me at [kde-
nardo@igloocorp.com](mailto:kde-
nardo@igloocorp.com).

The Women of Excellence Awards Gala was Saturday,
September 27th, where Julianne Dorsett, the ASWA
honoree was recognized. See page 8 for pictures and
summary.

We have another great speaker lined up for October,
Mr. Stewart Feldman.

I look forward to seeing you there!

Kristi

2008-2009 Officers & Committee Chairs

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Deadline for October newsletter: November 4, 2008	
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<p>The FAX RETURN is the newsletter of ASWA Houston Chapter 33. It is published monthly, except December. You can receive the Fax Return by email or by snail mail. Please let the editor know which form you would like to receive the newsletter.</p>
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CALENDAR OF EVENTS

- October 16 — Texas Conference for Women — George R. Brown Convention Center
- October 21 — Membership Meeting — Briar Club
- October 21 — Board Meeting — immediately following Membership meeting — Briar Club
- October 28-30 — 2008 Joint National Conference The Fairmont Dallas
- November 18 — Membership Meeting — Briar Club — Jerilyn Barthel—Professional Standards Update
- November 18 — Board Meeting — Briar Club
- December 9 — Christmas Party

Standing Reservations

Jeri Barthel	Brandi Lucher
Colene Blankinship	Carrie Morris
Adrienne Brown	Eileen Neucere
Sonia Calloway	Melanie Norton
Kristi DeNardo	Eunice Reiter
Julianne Dorsett	Ann White
Suzi Martin	
Debbie McKenney	

The Chapter will bill for reservations that are not cancelled by noon Thursday prior to the meeting.

Please contact **Brandi Lucher** to be added or deleted from the Standing Reservations List.
713-436-1445 brandilucher@yahoo.com

Houston ASWA Memorial Fund

The Houston ASWA Memorial Fund was chartered in 1973 with the two-fold purpose of:

- Providing scholarships to deserving accounting students
- Furthering the mission of the American Society of Women Accountants -- “To enable women in all accounting and related fields to achieve their full personal, professional and economic potential and to contribute to the future development of their profession”.

The Memorial Fund receives contributions, in lieu of flowers, for members and their loved ones during times of grief. We receive contributions to celebrate special occasions and in honor of special people.

Please consider the ASWA Memorial Fund as an opportunity to honor or to memorialize the people in your lives.

Contributions should be made payable to:

ASWA Memorial Fund
c/o Eunice H. Reiter
5005 Woodway, Suite 200
Houston, TX 77056-1789

If your contribution is in honor or in memory of someone, be sure to include information regarding where to send the acknowledgement.

ADVERTISING RATES

The ads are to be emailed to the newsletter chair no later than the 1st of the month in which the ad is to appear.

\$300/ year—full page
\$160/ year—1/2 page
\$ 10/ month—business card size

The Fax return is published monthly except December.

Official National Registry Statement

ASWA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State Boards of Accountancy have the final authority on the acceptance of individual courses of CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors: 150 Fourth Avenue, Nashville, TN 37219-2417. Web site: www.nsba.org.

Charitable Project

Please remember to gather your sample toiletries when you travel and donate them to Miryam's Hostel which is on the second floor of the Loaves and Fishes Soup Kitchen. It is a place where 6 – 8 women can spend the night, wash their clothes, take a shower and sleep in a bed. Then they are back out on the street. It is sponsored by Magnificat House which is affiliated with the Catholic church. They can use toiletries, towels, twin bed sheets, pajamas etc.

Stewart A. Feldman

CEO and Chairman, Capstone Associated Services, Ltd.



For more than the last decade, Stewart A. Feldman has been the chief executive officer of managing partner and principal owner of several businesses based in Houston, Texas, where he has lived for almost thirty years.

Capstone, www.CapstoneAssociated.com, is principally engaged in administering small property and casualty insurance companies, primarily based in British overseas territories. The insurers are affiliated with closely held businesses operating in a variety of industries located throughout the United States. Capstone has formed in excess of 75 such companies and presently operates 70 on a turnkey basis for its clients. Capstone was formed in 1998 and is owned by Mr. Feldman.

Capstone works cooperatively with The Feldman Law Firm LLP, www.feldlaw.com, which specializes in sophisticated corporate and tax planning for closely held businesses. The firm is engaged on behalf of Mr. Feldman's affiliated business interests as well as unrelated clients. The Firm began in 1992 and Mr. Feldman serves as its managing partner.

Rapid Settlements, Ltd., www.RapidSettlements.com, acquires long-term annuities issued by major life insurance companies to fund personal injury settlements. The company was formed in 2003 following the passage of enabling federal legislation. Affiliates hold several hundred annuity contracts on the lives of third parties. Mr. Feldman controls many of its related vehicle investments.

In 2007, Mr. Feldman completed the roll-up of several Houston ambulatory surgery centers and their simultaneous sale in what was the largest IPO on the Toronto Stock Exchange that year. Mr. Feldman served as the Chairman and Chief Executive Officer of Northstar Healthcare, www.Northstar-Healthcare.com, until its sale in the public markets where Mr. Feldman was the selling shareholder.

Mr. Feldman's companies currently employ more than forty people and are located in the Galleria office complex in Houston.

In previous years, Mr. Feldman was an owner and dealer-principal of several Houston area automotive dealerships (1986-1989), including two Jaguar franchises. Thereafter, through 1992, Mr. Feldman co-owned and operated a direct importing and distribution company that purchased automotive parts from British and German suppliers for distribution to franchised dealers throughout the U.S. and Canada.

From 1982 - 1989, Mr. Feldman was a partner in a real estate/land development oriented merchant bank operating principally in the Houston Market. Previous to that, Mr. Feldman was associated with Ernst & Ernst (now Ernst & Young) and later with the Houston law firm of Vinson & Elkins.

Mr. Feldman has been married to the former Marla B. Matz, D.D.S. for more than 25 years. They have two children: Adam (18) and Amy (16).

Education:

Juris Doctor awarded by the University of Michigan Law School, May 1980. Mr. Feldman taught Financial Accounting and Accounting Theory at the University of Michigan Business School, 1979.

M.Sc. and B.Sc. (Econ.) awarded concurrently by the Wharton School at the University of Pennsylvania, 1975.

General Course Student at the London School of Economics and Political Science, 1973-1974.

Certified Public Accountant (Ohio) 1975.

Federation of Houston Professional Women

Next Meeting: October 27, 2008
Web site: www.fhpw.org

Location: H.E.S.S. Building
5430 Westheimer (between Chimney
Rock and Yorktown)

ASWA Delegates: Melanie Norton,
Arlene Dilworth

Alternates: Pam Ahlers
Debbie McKenney

Federation of Houston Professional Women (FHPW)

The Federation of Houston Professional Women is an alliance of women's professional organizations, chartered by the state of Texas as a non-profit, non-partisan business league. Each FHPW member organization, although diverse in style and structure, has professional or businesswomen members focused on education, networking, specific careers or community service.

FHPW offers quarterly events designed to bring its diverse membership together to promote a place of POWER and INFLUENCE. Quarterly events are open to both members and guests and allow Houston professional women the opportunity to network, have some fun and learn something new.

If you are a member of ASWA then you are automatically a member of FHPW.

Career Center

Please remember to encourage friends and colleagues to register and that there is not cost to individuals to post their resumes. Members can help by letting their HR Departments at work know about the site. Using the site is a win-win-win-win proposition because 1) employers gain access to a pool of specialized job seekers, 2) individuals seeking employment in accounting and finance can easily connect with employers/recruiters looking for candidates with those skills, and 3) the ASWA raises funds that it uses to 4) provide scholarships to worthy individuals.

Support a worthy cause by spreading the news about the ASWA Career Center today!

Current Fundraiser

Our chapter has been registered with the Current Fundraiser Online program. It is very simple—all you have to do is shop online at www.CurrentFun.com, and when you check out, select:

State: **Texas** Organization: **ASWA – Houston** City: **Houston**.

Our chapter will receive a check quarterly for 50% of online sales that are attributable to our organization. Tell your friends and relatives, and help raise money for our scholarship fund. You can do some of your Christmas shopping, saving some money for yourself and getting some great products, and at the same time, contribute to the scholarship fund. What a deal!

JOINT NATIONAL CONFERENCE

We elected Melanie Norton, Colene Blankenship, Phyllis Martin, and Kathy Pearce to serve as delegates to the Joint National Conference at our August meeting.

Save The Date! – The 2008 Joint National Conference will be October 27-30, 2008 in Dallas, Texas. For hotel reservations at The Fairmont Dallas Hotel, please call (800) 441-1414 and mention the Joint National Conference.

Tax Benefits of Captive Insurance Planning for Privately Held, Middle Market Companies

Historically, businesses have managed exposures to risk by purchasing a conventional insurance policy that transfers the risk to the insurer, or by retaining the risk and allocating funds to pay the eventual losses. While these methods of risk transfer and funding are still important, many businesses are including the benefits of alternative risk funding techniques, such as captive planning, in the overall risk management process. Among the reasons for doing so are the practical difficulties in collecting from the insurer when the loss occurs, the extensive use by insurers of exclusions and limitations on coverage buried in the policy, and the implied threat of non-renewal when a loss is reported. In addition, closely held business are creating captives to achieve tax advantaged wealth building and wealth transfer goals.

This course will address the tax, legal and regulatory information on structuring, implementing and operating a captive insurance program. Single parent captive planning will be discussed in detail, including licensing and incorporation in both on-shore and off-shore domiciles. Two IRS provisions will be discussed and applied in detail, in particular IRS Sections 501 (c) (15) and 831 (b).

Various segments of the presentation will address the major tax and non-tax advantages of captive planning, including lowering insurance costs, enhancing control over cash flows and investments, improving risk management and loss control, and realizing tax efficient asset protection and wealth transfer. The parameters of developing a well structured captive insurance program to realize premium tax deductibility, and in the case of IRS Section 501 (c), partial sheltering of investment income, will be considered. Finally, situations where the profits of the insurance vehicle can be loaned back to the operating company and/or distributed to the captive ownership with favorable tax treatment will be explained.

Among the topics covered in this presentation are the following.

1. Business Reasons for Forming a Captive Insurance Company
2. A Review of IRS Provisions for Small and Intermediate Captives
3. Identification of Insurable Risks Via Feasibility Study
4. Captive Domiciles Comparison
5. Meeting the Risk Distribution Test Through Third Party Risk
6. Distribution of Captive Profits
7. Liquidation
8. Discussion of IRS Audit Experience and IRS Determination Letters

Proposed panel of experts to include:

P Stewart A. Feldman, Tax Attorney, CPA, CEO, Capstone Associated Services, Ltd., Houston, TX.

P Thomas O. Foster III, Tax Attorney, The Feldman Law Firm, Houston, TX

P S. Lance McNeel, CPCU, Vice President of Insurance, Capstone Associated Services, Ltd., Houston, TX

P Clete Thompson, MBA, Director of Business Development, Capstone Associated Services, Ltd., Houston, TX

This presentation provides an overview of the key aspects – insurance, regulatory, financial, corporate & tax – of captive insurance/alternative risk planning. The discussion is directed to CPAs, tax and legal advisors of closely held companies. The presentation will address the design, structuring and implementation of this planning and through to the captive insurer's ongoing operations.

What is a Captive Insurance Company?

A captive insurance company is a company established to insure the risks principally of affiliated businesses. Captives in various forms have been around for hundreds of years; there are an estimated 6,000 captives operating. The ownership of the captive may mirror the ownership of the business or may be owned by a subset of the owners of the operating company or by the junior generation.

Why form a Captive?

1. To protect your business from the many hidden risks inherent in its operations. Conventional policies cover only a portion of the potentially insurable risks faced by a business. And the risks insured by conventional insurers are often not the risks likely to occur.

Continued from page 6

2. There is a large "expectation gap" between what businesses think are covered by their business policies and what is actually covered by conventional policies. In fact, the typical conventional policy contains many pages of exclusions and narrow coverages.
3. Clients come to understand that a wide range of risks faced by their business are otherwise capable of being insured with tax deductible premiums, even when paid to an affiliated insurance company.
4. Significant advantages exist for pre-funding losses through a captive insurance company.
5. Closely-held businesses create captives to achieve financial benefits that come from favorably loss experience and the resulting build-up of monies in the captive which can then be distributed to the captive's owners in the case of favorable loss experience.

Criteria

Generally only business and their owners with a minimum of \$1 million/year in taxable income should consider this planning.

The focus will be on single parent (that is, the collective owners of a closely-held business) rather than a captive owned by a trade group or trade association. The focus of attention will be on captives for U.S. based owners and thus, the concentration will be on captive insurers operating under IRS Sections 501(c)(15) and 831(b).

ASWA Leadership Meeting

Dallas, Texas

Thursday, October 30, 2008

2:00 – 4:00 pm

An ASWA Leadership Meeting will be held on the last day of the Joint National Conference in Dallas, Texas on Thursday, October 30th from 2-4 pm. This will be an open forum to discuss chapter leadership issues and all ASWA chapter leaders are encouraged to attend. National Board members and Regional Directors will be in attendance to answer questions, listen to concerns, brainstorm and gather input for future development of programs. Some of the areas of discussion will include:

- Regional Conferences
- Membership growth – Headquarters-assisted "lead" program
- Chapter reporting via automated format
- Minimum standards for chapters
- Chapter visits

We look forward to some lively discussion, so please plan to share your ideas and enthusiasm at this informative session. Your participation is crucial in strengthening our chapters and equipping all of our leaders with the tools needed for success.

Salute to Veterans on November 7

Wayne Newton will be receiving the Heart of Service Award from the Houston West Chamber at 11am on November 7, 2008 at the Omni West chase Hotel (110 & Eldridge)

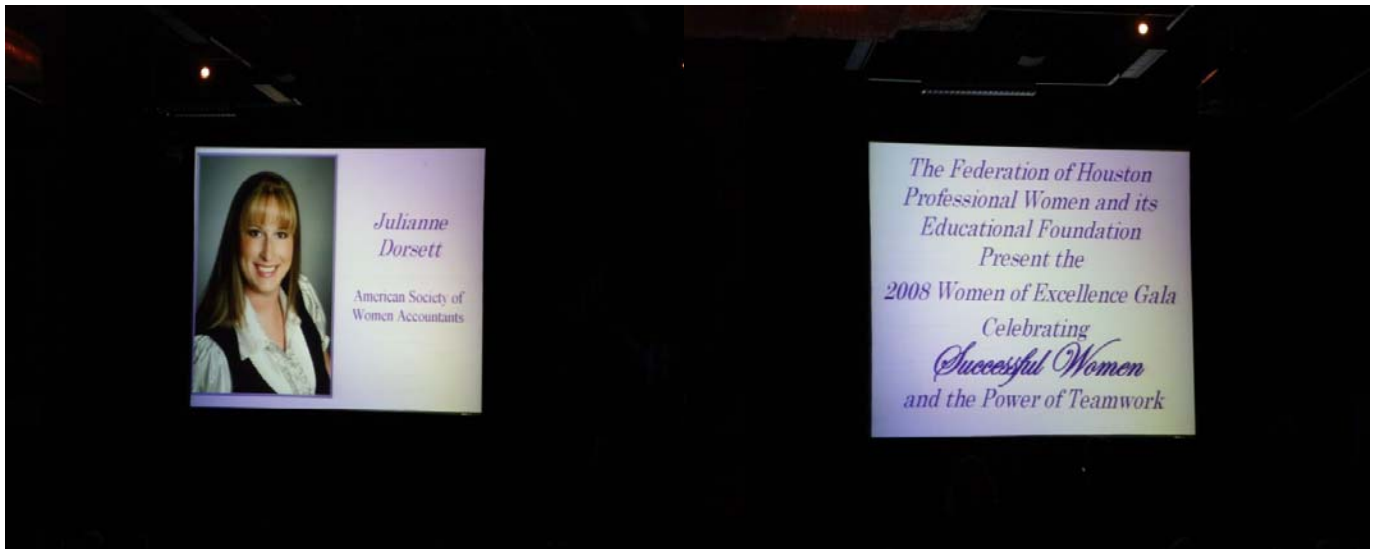
We have limited seating so if you have not reserved your seat, please do so this week or consider sponsoring a table for your company/clients. (More info attached)

Individual seating is \$45 for chamber members, \$50 for non-members and \$60 after November 3.

I hope you will join us as we Salute our Veterans and Thank Wayne Newton for his dedication to our troops.

To register go to: <http://houstonwestchamber.chambermaster.com/directory/jsp/events/EventPage.jsp?ccid=357&eventid=204&qs=ccid=357|visibility=2|month=10|year=2008|context=month>

God Bless Texas and God Bless our Brave Troops!



Program Bio

Julianne Dorsett has been an ASWA member for four years and is currently serving as Vice President and Publicity Chair. She served as Treasurer for two years and was Member Relations Chair. She credits the great mentoring she has received for her improved public speaking skills, and her successes in life and work. She, in turn, endeavors to pass along the skills she has learned.

Julianne is Accounting Supervisor for PetroChem Inspection Services where she has been employed for seven years. She is currently pursuing a degree in Accounting to further her job opportunities. Julianne attended San Jacinto College majoring in Nursing and graduated high school in the top 5% with honors.

In addition to her challenging professional life, Julianne enjoys singing on the praise team and bowling where she serves on the league board. She is an avid cruiser and with her husband, developed and maintains a fishing website and is developing an inspection website.

Julianne proudly claims that the #1 team behind her success is her family, her husband of eight years, Matt, and her four-year old son, Coleson. She believes that the most rewarding part of her life is being a wife and mother.

Read on the stage

"The team behind my success is first and foremost my family. I have an amazing husband that supports me in everything I do, an incredible son that has brighten up my life more then I can explain and a loving mom, dad and sister that truly inspire me every day. I have such wonderful friends and co-workers that help me every day. Last but not least the members of ASWA are so caring and helpful. The friendships that I have made through ASWA will last a life time. God has truly blessed my life!"





We are our worst critics and then we wonder why we lack self-efficacy?! When you criticize yourself, you are living in the past and not the present so it's difficult to create the world (read that as in job, relationship, marriage, interests, etc) you really want because you are focusing on what you don't want!

This is key! This is where most of us go wrong—we keep our focus on what we don't want and then are surprised when it happens (read that as we get what we don't want) right before our eyes. This was a hard lesson for me as a sole proprietor who is also female. I kept saying, "the good ole boy's network is alive and well." And, guess what, I kept running into the good ole boy's network. I was totally surprised when it appeared, but I was the one who created it right in front of my eyes because I kept focusing on it and giving it energy rather than focusing on what I really wanted.

So today, you won't hear me talking about the good ole boy network, you'll hear me talking about my success, my achievements, my dreams, my future. I live on a lake. Each morning, I get up, and say good morning to the ducks and geese in my backyard (the lake). My friends and other colleagues always tell me how lucky I am to be able to live there. I tell them, "it wasn't luck, I created it!" They give me a funny look and then move on.

The truth is that we create everything we have in our business and personal life. If you don't like what you see, change your thoughts and your words and your surroundings will change too. Try it. You'll see!

Remote (Career) Control

Higher fuel prices have caused many professionals to look for ways to reduce the cost of commuting. Combine this with the added availability of home office technology, and it's no wonder more individuals are working remotely. In fact, in a survey conducted by our company, more than two-thirds of executives polled said it's common for their companies to offer employees off-site work arrangements. Moreover, 82 percent of managers said they expect the number of employees who work remotely to increase in the next five years.

Of course, not all positions lend themselves to remote arrangements. Jobs that require a great deal of face time with colleagues or customers, for instance, cannot be performed outside the office. If your role allows for flexibility, you may want to discuss working remotely with your manager. Here are some questions to ask yourself before making a request:

- **What's in it for them?** Managers will respond more favorably to your request if they know the arrangement will benefit the company and not just you personally. Will the arrangement save your firm money or increase productivity?
- **Have I thought through the details?** Your supervisor will want to know key information, like why you are a good candidate for telecommuting, technology tools and upgrades you will need to successfully manage your workload, and security measures you have in place at home or at your proposed remote work site to protect company information.
- **How will I stay in touch?** Think about how you intend to interact with colleagues to ensure projects stay on track. Also, offer to provide regular status updates so your manager knows your progress on assignments.
- **How will I stay visible?** To avoid being overlooked for plum projects or promotions, maintain plenty of face time with your managers and colleagues. Schedule important meetings for your on-site workdays.
- **How can I show the arrangement will work?** Ask your supervisor if you can try telecommuting on a trial basis, working remotely one or two days a week. Propose several meetings with your boss throughout the test period so you both can evaluate how the arrangement is working.

OfficeTeam is the world's leading staffing service specializing in the placement of highly skilled administrative and office support professionals. The company has more than 300 locations worldwide, and offers online job search services at www.officeteam.com

ASWA
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—Regional Director for Houston

Empowering Women In The Accounting and Financial Professions Since 1938