

2008 FALL WORKSHOP EAST COUNTY CSTC CHAPTER

Life Cycle of a Sole Proprietor to Another Entity

William E. Rogers CFP, EA

OCT 3, 2008

Case Study Questions

Part I

- 1.) Based upon the initial meeting with Ms. Jones and her partners who would you choose to be your client for purposes of this engagement? Remember, you must act in that person's best interests throughout the entire case.
- 2.) What entity structure would you recommend for your client and why?

Part II

- 3.) Prepare the initial return based upon the entity choice that you had selected using the information provided in the case.
- 4.) Based upon the financial results in year 1 and the terms placed by the investor, is your entity choice still appropriate for the company?

Part III

- 5.) Assume that the company is an LLC taxed as partnership for tax purposes, how much would be the company's California tax in 2007 based upon the financials provided?