

Cohen and Burnett, P.C. Legacy Analytics, LLC



SPRING 2008

Legacy Analytics Navigates New Waters *New Name, New Look—Same Superior Service*

Change is on the horizon. Our firms will be undergoing a name change, brand-identity update, and a move to a larger office suite in the coming weeks. We are confident that these things will be refreshing and allow us to better serve your needs.

Last year, we bought a larger second floor office condominium in our building on Lewinsville Road. In late April, after new paint, carpet, furniture and computers, we will move from Suite 460 to Suite 205. We will have two conference rooms and 13 offices to better accommodate our clients and staff.

At the same time, we will roll-out our new branding name, **Navigator Wealth Management** for our financial services. Our tagline reads: *"Integrated Strategies. Peace of Mind."* We chose that name as a navigator is one who helps guide passengers to their chosen destination safely and securely (*Peace of Mind*).

As you can see, our new Navy-blue logo shows an arrow against a backdrop diamond. The combination represents upward progress, thinking outside the box and our *integrated strategies* involving four corners of service excellence: financial, legal, tax and risk (insurance) management.

The law firm name remains unchanged as **Cohen & Burnett, P.C.**, with colors that match those of **Navigator Wealth Management**. The building signage on Lewinsville Road now lists **Cohen & Burnett, P.C.**, making it easier for you to find us. You will be able to reach our new offices by either parking in the front of the building and taking the elevator to the second floor where our office is right in front of you, or driving around back to the ample elevated parking where you will enter on the second floor with our offices directly in front of you.



FOUNDING PARTNER

**I. Mark Cohen
JD, LLM & CFP™**

Spring is upon us. New blossoms, new life. The timing is perfect to announce the new changes here at the firm as you'll read throughout this issue.

The BNA Portfolio on the Uniform Trust Code I had been working on for the past three years is finally out but in electronic version to BNA subscribers only. Used by experts in the field of Estates, Gifts and Trusts, this publication will be out in print sometime mid-March. With that accomplishment finally behind me, I am now free to work on a number of other projects. One of them includes leading the Virginia State Bar committee that will review and probably consolidate and rewrite the numerous small-estate probate exceptions found in a haphazard fashion all over the Code into one comprehensive, policy-driven section.

Michael is now in his second semester at William and Mary and is on the Dean's list. He is taking five courses this time, and has leadership positions at Hillel and AEPi. He is finding that he now has very little free time but is enjoying the challenge.

Rachel is continuing to do well as a senior at Marshall High School, very busy with the rigors of a full IB diploma, band, part-time job at the JCC child-care, and an active social life. She will graduate this June either at or very close to a 4.0 GPA.

I am still waiting for my foot to heal, but have been biking in the meantime and both Wes and I plan to do the Seagull Century ride again this fall.

Tax Rebates: What You Need to Know

Lawmakers have given their final seal of approval to a \$170 billion plan intended to spark the slowing economy. The plan's centerpiece: tax rebates.

How do I qualify for a rebate and how much can I expect?

One-time rebates will be sent to at least 117 million low- and middle-income households, 20 million senior citizens living off of Social Security, and 250,000 disabled veterans. To be eligible for a full rebate, single tax filers must have 2007 adjusted gross income (AGI) below \$75,000 and joint filers must have AGI below \$150,000.

Adjusted gross income is not your annual salary. It's equal to gross income minus "above the line deductions," which are reported on page one of the 1040 tax form. Above-the-line deductions include deductible IRA contributions, alimony paid and, for the self-employed, some portion of money spent on health insurance or Social Security.

Single filers with AGI below \$75,000 will get rebates of as much as \$600. Couples with AGI below \$150,000 will receive rebates of up to \$1,200. In addition, parents will also receive \$300 rebates per dependent child; there is no cap on the number of children eligible.

For example, a couple with one child and \$100,000 in AGI will get a rebate of \$1,500 (\$1,200 + \$300). If they have two children, they will get \$1,800 (\$1,200 + \$600). Tax filers who do not owe income taxes because of various credits and deductions but have at least \$3,000 in income - which can include Social Security and disability payments - will get \$300 rebates per person or \$600 per couple.

What if I make more than the income caps?

You might get a partial rebate. It depends on how much your income exceeds the caps. The stimulus legislation allows for a 5% phase-out rate for households above the income caps of \$75,000 for single filers and \$150,000 for joint filers. That means that for every dollar you earn above those caps, you will lose five cents of the rebate. Put another way, your rebates will be reduced by the amount of income above the cap multiplied by 5%.

The point at which the rebate gets phased out entirely will vary. For example, a single filer with no kids whose

income exceeds the cap by \$12,000 or more will get no rebate, because it will be reduced by an amount equal to or greater than the \$600 (\$12,000 x 0.05 = \$600).

Do I have to pay the rebate back?

No. Your rebate is a one-time tax cut - an advance on a credit you'll receive on your 2008 return. It's based on your 2007 income initially. If it turns out that your 2008 income and number of children would have qualified you for a larger rebate than the one you received, you'll be sent the difference. If it turns out your 2008 income was lower than in 2007 and you should have gotten a lower rebate, you get to keep the difference.

What do I have to do to get one?

You must file a 1040 or 1040-EZ federal tax return for 2007. Some people are normally not required to file a return. To get the rebate, however, they have to file a federal tax return.

When will the check come?

IRS will start sending out checks in early May, and it should take about ten weeks to produce and mail all the checks. In all likelihood then, you'll see the money sometime between May and early July. That assumes, of course, that you hit the IRS deadline and file by April 15. Otherwise, you will get your rebate after you file your return.

Please contact us if you have any questions about tax rebates or to learn more about our strategic tax advisement services.



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MANAGING PARTNER

Weston D. Burnett
JD, LLM & CFP™

These coming months are big ones for us with the firm's move downstairs and our name change from Legacy Analytics, LLC to Navigator Wealth Management, LLC. Our grand opening is planned for June 5, 2008. We are joined this quarter by Robert Muldoon, Investment Property Advisor, who has his real estate license, Series 7 and extensive experience with tenant-in-common like-kind exchanges. We also hired two college student interns to help out with financial and tax work.

On the family side, over the holidays, I hosted 13 family members in Utah, all skiing, with a foot of snow a day. We had loads of fun watching our three children and their seven cousins on the slopes. Their most competitive streak surfaced one evening when they playing the Battle of the Sexes board game.

My wife, Barb, still laughs everyday as a teacher and I love her stories. The notes she gets from students are amazing for how much she touches their lives. She has already done over 100 recommendations for her eighth graders who are applying to TJ High School or private schools. To be honest, I am amazed at how much time and energy goes into letters of recommendations for rising ninth graders. She remains active with Math Counts on their National Board of Directors, but no longer works an extra 20 hours per week on that.

Our children are doing exceedingly well. David is due to be sworn into the NY Bar shortly. He loves working 100 hours a week on multiple high-visibility litigation cases. We spent one weekend with him in February at the theater and enjoyed food at three of the 20,000 NYC eateries. Edward is busy planning a five-week-long post-US Navy trip to Egypt, Morocco and Thailand and looking for a job that matches his national security credentials. Jennifer is excelling in her PhD, but far away from family and friends in Louisville. She was home one February weekend as three of us celebrated our birthdays together.

For myself, I am signed up for a triathlon on June 1 in Norfolk and the Seagull Century 100 mile Bike Ride on October 4, 2008. I hope to exhibit again my gold medal stamp collection in June at NAPEX at Tyson's Corner.

Invitations will be sent out in the coming weeks for our new suite Grand Opening. Please save the date: June 5, 2008. We look forward to seeing you then!

VA Long-Term Care Insurance

New Program Helps Ensure for Future Needs

Some long-term care insurance policies sold in Virginia may qualify for the Virginia Long-Term Care Insurance Partnership Program. The Partnership Program is a public-private venture designed to encourage the public to plan ahead for future long-term care needs. Long-term care insurance policies that qualify as Partnership Policies may protect the policyholder's assets through a feature known as "asset disregard" when it comes to qualifying for Medicaid coverage.

Medicaid is a health insurance program that provides health care services for certain low-income people. Medicaid will generally pay for long-term nursing home care, if the individual has very little income and few assets.

The Partnership Program allows qualified policy holders who apply for Medicaid coverage to keep a level of assets equal to the long-term benefits paid from the policy above the \$2,000 Medicaid asset limit currently in place for eligibility purposes.



Under the Partnership Program, for every dollar that a qualified long-term care insurance policy pays out in benefits, a dollar of personal assets can be protected and disregarded during the Medicaid eligibility review.

In order for the policy to qualify, it must, among other things: (1) be issued to an individual after September 1, 2007; (2) cover an individual who was a resident of Virginia when coverage first becomes effective under the policy; (3) meet stringent consumer protection standards; and (4) meet certain inflation requirements.

Individuals interested in the Partnership Program must keep in mind that asset protection is based on what the insurance company has paid out in benefits. It is not based on the amount of premiums paid or the total value of the policy. Further, exhausting a Partnership Policy does not guarantee access to Medicaid—other eligibility criteria must still be met.

The most advanced nations are always those who navigate the most.
-Ralph Waldo Emerson

NEW COLUMN

Alternative Investments:

Unique Avenues to Allocate Your Wealth

If you are you looking for investments that do not behave like your stocks and bonds, you should consider talking to us about alternative investments such as non-traded real investments trusts (REITs), oil and gas partnerships, futures funds partnerships and equipment leasing partnerships. With each newsletter going forward we are going to feature one investment class that we have found of interest to our clients.

Wells Timberland REIT, the first timberland REIT available to the public, is our first example. Wells manages over \$10B in existing REITs today. The Timberland REIT is an investment that may be suitable for an investor looking for competitive returns, diversification, a complement to others in a well diversified portfolio, and a long-term investment with an intended ten-year horizon.

First, timberland may reduce the overall risk of an investor's portfolio, because many of the risk factors associated with timberland tend to be countercyclical to stocks and bonds and independent of other real estate sectors. For example, timber sales can be timed to maximize value by being accelerated or delayed to match market conditions. If you chose not to harvest it, the timber continues to grow 6-8% per year.

The world demand for timber products is growing everyday and forecast to nearly double by 2050. These are renewable and sustainable resources. Well-managed tree and land resources are less vulnerable to natural risks. In fact, the U.S. Forest Service estimates that the risk of having any one acre damaged by natural risk such as fire, pests, disease or weather is less than one-half of one per cent.

Of environmental note, to grow a pound of wood, a tree consumes 1.5 pounds of carbon dioxide and releases one pound of oxygen. Aluminum requires 126 times more energy to produce than wood, steel requires 24 times more, glass requires 14 times more and plastic six times more.

This investment is not suitable for everyone since it is aimed more at long-term growth and appreciation than income. Nevertheless it is expected to generate income. It does lack liquidity and has a ten year expected duration.

If you are interested in learning more contact us to discuss this and we will provide you with a copy of the prospectus.

You are cordially invited to the
Grand Opening Celebration
of the new offices of

**Cohen & Burnett and
Navigator Wealth Management**

Thursday, June 5, 2008

Open House from
3:00pm—8:00 pm

7601 Lewinsville Road
Suite 205
McLean, VA 22102

Please join us as we unveil our new company
branding, take a tour of our new suite, and
socialize over hors d'oeuvres,
desserts and refreshments.

INTEGRATED STRATEGIES. PEACE OF MIND.

