

JOSEPH B. MIHALOV, CPA, P.C.
Certified Valuation Analyst

P.O. Box 1099
Valparaiso, IN 46384

Office (219) 464-1011
Fax (219) 462-1916
www.jbmihalov.com

NEWSLETTER
DECEMBER 2008

HAPPY HOLIDAYS

Our office will close at 3:00 pm Christmas Eve, Dec. 24th, and reopen at 8:00 am Monday, Dec. 29th. For the end-of-the year and the beginning of the new year we will close at 3:00 pm Wednesday, Dec. 31st and reopen Monday, Jan. 5, 2009.

THE STOCK MARKET

The 30% to 50% drop in the value of the stock market should provide investors with several valuable lessons. First lesson is that we ensure that we never let the politicians privatize our Social Security Retirement Benefits. Second, we should have enough cash on hand to live on for at least one to two years before touching our other investments. Third, our portfolio should be balanced and diversified. Finally, if we can't stand the dramatic gyrations of the stock market, then invest in FDIC insured bank deposits.

I CAN'T STAND IT ANYMORE! I'M GETTING OUT OF THE STOCK MARKET!

To do so now, may not be in our best interests. The stock market losses are only "paper losses" i.e., they are not actually realized until the stocks are sold. If one's emotions permit it, waiting may be the best course of action to follow. If not, then for one's emotional well being, selling at a loss may be necessary to stabilize one's emotional well being.

SUBCHAPTER "S" SHAREHOLDERS' COMPENSATION

As previously reported, should you take no salary or a salary that is not reasonable, the IRS will penalize you and your income tax preparer as well. Therefore, **if you insist on taking no salary or a salary that is not reasonable**, we will request Subchapter "S" clients to execute an indemnification agreement regarding their compensation.

2009 STANDARD MILEAGE RATES

New rate for 2009 is 55 cents for business use of your car, 24 cents for medical and business moving expenses. Charitable use of your car remains at 14 cents.

THANK YOU AND WE LOOK FORWARD TO CONTINUING TO SERVE YOU.

2601 Chicago Street #A
Valparaiso, Indiana 46383