Newsletter

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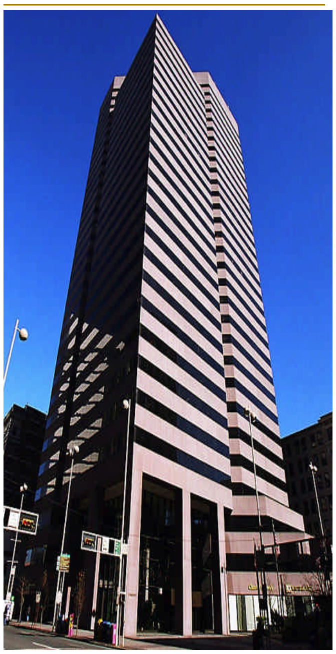
SANTEN & HUGHES

600 Vine Street
Suite 2700
Cincinnati, Ohio 45202
Office (513) 721-4450
www.santen-hughes.com



The Center at 600 Vine

ABOUT US

We are excited to announce the launch of our new website at www.santen-hughes.com We had fun putting it together. A lot of thought went into giving the viewer a thorough yet concise description of our practice and the individuals who comprise it.

With the continued sluggish economy, many businesses have taken steps to ensure their profitability. Now is not the time to forgo getting good legal advice. Hot areas in the legal practice include employment law, commercial litigation, and chapter 11 bankruptcies. These are areas where clients are well-served to get legal advice early on. Our firm remains dedicated to resolving disputes as efficiently and inexpensively as possible.

RECOGNITIONS:

Santen & Hughes was recently recognized in the Cincinnati Business Courier as the 22nd largest law firm in Cincinnati.

William E. Santen Sr., Senior Counsel, has recently been elected as Chairman of the Senior Lawyer Committee of the Cincinnati Bar Association and has also been elected to the Board of Directors of "Our Lady of Light Foundation" of the Holy Spirit Center, Cincinnati, Ohio.

John D. Holschuh, Jr. is a managing partner who heads our litigation department. He was just elected to the Ohio State Bar Association Council of Delegates, which is one of two governing bodies of the OSBA. John will serve another term as trustee for the Ohio Association for Justice and another term on the Ohio Committee for the American College of Trial Lawyers. John will also serve one more year as president of the Cincinnati Bar Foundation.

Charles E. Reynolds, a partner who specializes in business mergers and acquisitions, recently coached the Indian Hill High School Mock Trial Team to a state championship in the State of Ohio. The team then competed in the Nationals of the Mock Trial Program and finished 11th in the nation.

William E. Santen Jr., a partner who specializes in the litigation area, recently completed a four day trip to the Appalachia area and helped oversee forty teenagers who volunteered for the "Appalachia Service Project". This project provides construction services to low-income families in Central Appalachia.

William Liss, Karen Crane and Steve Morgan recently competed as a Team in Cincinnati's "Flying Pig" Marathon. William is a partner who specializes in general business law, taxation and estate planning. Karen has worked as a paralegal with S&H for 30 years. Steve has worked as a legal assistant with S&H for 10 years.

Legal Perspectives

New Federal Rules Require "Creditors" to Implement Rules to Detect and Limit Possible Identity Theft

By: Edward S. Dorsey, Esq.

In January 2008, the Federal Trade Commission issued regulations implementing the Fair and Accurate Credit Transactions Act of 2003 ("FACTA"). FACTA requires businesses that have consumer accounts or other accounts where there is a possibility of identity theft, to develop and implement a program to detect, prevent, and mitigate possible identity theft relating to those accounts. The regulations are broadly written to include businesses such as doctors' offices, landlords and other businesses that provide goods or services on credit. Businesses that extend credit, or rely on credit reports on consumers, are likely to be covered. The regulations went into effect in May 2009.

"Penalties for noncompliance can be up to $10,000 per violation"

FACTA programs are intended to have businesses identify "red flags" that might indicate when someone is attempting to engage in identity theft. These red flags can include: someone presenting a driver's license or other identity document that appears altered or forged; suspicious change of address forms; customer reports of being billed for services or goods that were never ordered; or mail sent to the customer's address repeatedly returned as undeliverable. The FACTA program then outlines how the business must respond when a red flag appears.

Fortunately, the FACTA regulations allow for flexibility. Larger businesses will need more elaborate programs, while smaller businesses can comply with simpler programs. Penalties for noncompliance can be up to $10,000 per violation. There is also potential for civil liability to someone whose identity has been stolen and no FACTA program was in place. If you would like to receive more information on this topic, please contact Ned Dorsey at esd@santen-hughes.com.

Bankruptcy Relief for Creditors

By: Charles M. Meyer, Esq.

In 2005, the Bankruptcy Code was amended to add §503(b)(9) as a protection for creditors who deliver goods (as opposed to services) to a debtor within 20 days prior to the debtor filing bankruptcy. If the goods are not paid for, the supplier is entitled to an administrative priority claim. The importance of getting an administrative priority claim is that, in a Chapter 11 reorganization case, these claims must be paid in full in order for the plan of reorganization to be confirmed. In addition, a creditor can file a motion with the bankruptcy court to request the immediate payment of administrative priority claims. Debtors now routinely request that the bankruptcy court set an early "bar date" for submitting §503(b)(9) administrative claims. Claims not submitted to the court prior to the bar date are disallowed. So the point is, if you have supplied goods to a business that files bankruptcy within 20 days after they are delivered, pay attention to notices you receive from the bankruptcy court so that you do not miss the deadline for filing your Proof of Claim. If you would like to receive more information on this topic, please contact Chuck Meyer at cmm@santen-hughes.com

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Legal Perspectives

Modification to the First-Time Homebuyer Credit

By: Andrew W. Weisenberger, Esq.

Last year Congress implemented a tax credit giving first-time homebuyers up to a $7,500 credit for buying a home between April 9, 2008 and June 30, 2009. Single taxpayers with incomes up to $75,000 and married couples with incomes up to $150,000 qualify for the full credit. The credit was unusual in that, unlike other federal tax credits, the credit for first-time homebuyers had to be paid back to the government ratably over a period of fifteen years (or earlier if the house was sold).

As part of the federal stimulus package enacted in February, Congress modified the first-time homebuyer credit by extending it from June 30, 2009 to homes purchased before December 1, 2009. For homes purchased on or after January 1, 2009, the maximum amount of the credit is increased to $8,000 and the repayment requirement is waived unless the home is sold or ceases to be the taxpayer's (or the taxpayer's spouse's) principal residence in the first thirty-six months after the purchase date, in which case the amount of the credit must be repaid.

For purposes of the credit, a first-time homebuyer is an individual (and his spouse, if married) who has not owned another principal residence in the United States during the three year period before purchasing the home. Thus, the home that is purchased need not necessarily be the taxpayer's "first home".

First-time homebuyers who purchase a home in 2009 may receive the benefit of the credit by claiming the credit on their 2008 or 2009 federal income tax return. Eligible taxpayers may amend their 2008 income tax return if they purchased a home in 2009 but failed to take the credit on their 2008 return this spring. This option allows homebuyers to get the money in their pockets now as opposed to waiting another year and claiming the tax credit in the spring of 2010 when their 2009 federal income tax return is prepared and filed.

Like other tax laws, there are a number of exceptions that apply to the application of the credit. If you have questions about the application of the first-time homebuyer credit, please contact Andy Weisenberger at aww@santen-hughes.com.