

Notice 2009-17

Johnson Regina

From: Joel Shwimer [shwimer@tiac.net]
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To: Notice Comments
Subject: Notice 2009-17

LEGAL PROCESSING DIVISION
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Sorry I am late.

In item 19, you mention return of capital with respect to REITs, but return of capital is NOT limited to REITs (as I have seen it occur on closed end funds, ETFs, etc.).

Also, there is no mention of the affect on cost basis for a "cash-in-lieu" transaction. My broker does not understand that this should be handled as a (mini-) sale reducing the cost basis of the remaining holding (and allocating a portion of that cost basis to the money received in lieu of the fractional share). Thus, I have to keep my own "books" even though I use a full-service broker.

I have spent 34 years designing and implementing securities accounting systems so I understand the implications of what must be done.

I hope that it is done correctly since most tax preparers accept what the broker statement says without question - little do they know....

Good luck!

Joel

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