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Business & Finance

INSIDE: *PC Talk with Mike Wendland, B5*

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MORE THAN MONEY

SID MITTRA, PH.D.

Tax breaks you always wanted are out there

Editor's note: This is the third article in an eight-part series on tax planning.

Today's column continues the discussion of strategies to reduce your annual taxes.

Diversion

The second strategy of tax reduction is diversion, which refers to the steps you can take to channel investment returns into money that will: (1) be taxed at lower rates, (2) offer higher deductions, or (3) completely avoid taxation.

Home ownership

Perhaps the most widely used tax planning strategy of diversion is home ownership. Both mortgage interest and interest on home equity loans are deductible and can be used to reduce the tax liability.

Even mortgage interest on a vacation home that is also used for rental income is deductible as rental expense as long as the home is used for personal use not more than 14 days or 10 percent of the number of days it is rented out, whichever is greater.

Real estate taxes are deductible, as are points paid on securing a mortgage on a primary or secondary residence.

The most significant benefit to home ownership as a tax avoidance strategy, of course, is the ability to postpone almost indefinitely the recognition of gains on the sale of the principal residence.

Even better, under the new law, $500,000 of current and deferred profits is tax free for joint filers ($250,000 for single filers). Also, the homeowner can claim a new $500,000 exemption every two years.

Matching income, losses

Another strategy, matching income and losses, can also minimize your tax liability. The passive-loss limitation does not permanently disallow losses and credits from passive activities, but rather determines how and when the losses and credits can be claimed.

Losses from a passive activity are deductible only against income from that or another passive activity. Unused losses can be carried forward indefinitely and can be used to offset passive income realized by you in subsequent years.While the current law permits the postponement of current losses to future years, it is more bene-

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Sid Mittra, Ph.D., CFP, is professor emeritus of finance, at Oakland University, and owner of Mittra & Associates, a Rochester Hills financial consulting firm. This column was critically reviewed by Professor Jerold Grossman of OU. You can e-mail questions or comments to Sid Mittra at smittra@oeonline.com.

Seniors

Business lets them help each other

BY RENA FULKA
SPECIAL WRITER

After 20 years of providing in-home healthcare supplies and services to the elderly, Sandford Linden opted to take a more life-enhancing approach to aiding seniors striving for independence.

From the basement of his Farmington Hills home, Linden developed Seniors 4 Seniors, Inc. to benefit skilled retirees in need of employment, elderly in need of personal assistance and younger caretakers in need of a break from their daily routines.

"The big thing to me is life enhancement. I don't just want to provide services. I want to make their lives better," said Linden. "We really have a mission to make someone's life better."

Betty Steele, 53, signed on with Seniors 4 Seniors two months ago as a means of continuing her geriatric nursing part time. On Tuesdays and Thursdays Steele assists Edna Montgomery, 101, in her granddaughter's Bloomfield Hills home. Aside from the necessary tasks of bathing, dressing, meal preparation and light housekeeping, Steele spends time reading, watching television, going out for drives and engaging in lively conversation with Montgomery.

"It gives me an opportunity to get out of the house," said Steele, a Detroit resident. "And I feel like I can be of some service, even though it's only two days a week."

Montgomery says she enjoys the company. And her granddaughter, Peggy Dahlberg, is thrilled with the service, which provides an alternative to nursing home care.

"It allows me to be able to have a day off," said Dahlberg, a mother of three. "And Betty has a good rapport with the rest of the family, which is important."

Seniors 4 Seniors offers services to clients ages 65 to 100-plus in four categories: companions, companion-drivers, handypeople and homecleaners. Services run from $15 to $17 an hour for three-hour blocks of time.

The 17 seniors on the employment end of the spectrum, who range in age from 48 to 73, work flexible schedules and earn $7.50 to $10 an hour. Fully insured companion drivers use their own cars and are compensated for their mileage.

"We put people at independence on both sides...those that need the bucks and those that need the services," said Linden.

Great care is put into matching more challenged clients with compatible service providers, beginning with the in-home evaluation that records daily medications, hobbies, dietary needs and doctor's appointments. Employees are screened, licensed and bonded and required to have direct-care experience, compassion and patience. They are also taught to be proper companions and undergo training in bathroom and fire safety.

"It's friendship in addition to providing services," said Linden. "So many people out there have been put out to pasture by society. The biggest hurdle is getting the insurance companies to understand that it's not a greater risk to hire seniors. They bring a work ethic and high standards to the job."

STAFF PHOTO BY TOM HOFFMEYER

Helper: *Betty Steele, a part-time geriatric nurse, helps Edna Montgomery, 101, of Bloomfield Hills two days a week for Seniors 4 Seniors based in Farmington Hills.*

A Farmington Hills native, Linden pursued accounting and corporate and tax legislation before entering the healthcare field with Linden Medical Supply in 1977. He sold the business 10 years later, but maintains a connection to the industry by serving on the board of Hospice of S. E. Michigan. Linden, 50, has since gone on to found Protective Publishers, Inc., a thriving entity that trains healthcare personnel working with hazardous materials/waste disposal.

Since Linden launched Seniors 4 Seniors 13 months ago, business has continued at a slow, but steady pace. For the healthcare entrepreneur who believes in building relationships, the process seems deliberate.

"To be successful in business, I hire good people and I let them grow. I build the business around them," said Linden, who now operates Seniors 4 Seniors from offices at 28230 Orchard Lake Road in Farmington Hills. "Pioneering doesn't scare me at all. I've always thrived on challenge."

Statistics show that one in every eight Americans was 65 years or older in 1996. And the number of elderly continues to climb each year, mostly due to

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Flagstar Bank raising 'interest' in football

BY BARB PERT TEMPLETON
SPECIAL WRITER

Not unlike many champion race horses Max Grayvold felt the odds might be against him when he opened his own printing business 15 years ago.

Still, Grayvold, holding fast to his Native American heritage, founded Graywolf Printing in Birmingham and despite ups and downs captured the "triple crown" for minority businesses in Michigan in 1997.

Graywolf Printing was named firm of the year by the Michigan Minority Business Development Council.

Then Grayvold traveled to New York where his firm was named minority business of the year for the United States of America.

Finally Grayvold was named minority small business person of the year by the Small Business Association here in Michigan.

"We got Michigan's first ever triple crown," smiled Grayvold.

The accomplishment marks a major milestone for the firm which has faced some very rough times over the years.

"It's certainly been rocky at times," Grayvold said. "I was told to close up a couple of times and there were three times when I was just about broke."

Hanging on and building up his firms credibility in the industry has brought finer days Grayvold's way. He has won numerous honors for quality printing and has letters of recommendation from major metro-Detroit automotive companies. "Now business is real good. We did just about a $1 million dollars last year," Grayvold stated. "We have a very stringent quality control program that meets the high standards of the industry."

"Max Grayvold is a successful business owner because of his determination and ability to merge his culture's beliefs into modern-day business practices. He never compromised himself to become a success," said Dwight Reynolds, Michigan District Director of the SBA.

STAFF PHOTO BY TOM HOFFMEYER

Triple crown: *Max Grayvold, owner of Graywolf printing in Birmingham has won three major minority business awards.*

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Real estate trade show Wednesday

The 23rd annual building trade show will open its door at 10 a.m. March 25 at Burton Manor in Livonia.

The annual event will feature hundreds of exhibitors serving the real estate industry and thousands of office, industrial, retail and residential real estate owners and professionals.

It will run until 5:30 p.m.

Burton Manor is at 27777 Schoolcraft Road, south of I-96 and west of Inkster.

The show is sponsored by the Institute of Real Estate Management and the Building Owners and Managers Association of Metropolitan Detroit.

Display space is limited.

Free admission with ticket.

For more information, call (248) 615-3885 or (313) 336-5050.

BUSINESS MILESTONES

This column *highlights promotions, transfers, hirings and other key personnel moves within the Oakland County business community. Send a brief biographical summary – including the towns of residency and employment and a photo, if desired, to: Business Milestones, Observer & Eccentric Newspapers, 805 E. Maple, Birmingham, MI 48009. Our fax number is (248) 644-1314.*

Chalou

Douglas Chalou of Clarkston has been named a vice president at Franklin Bank in Southfield. He is the manager of the Items Processing Department. He joined the bank in 1996 after leaving Comerica.

Robert Bloom of West Bloomfield has been named of chief of oncology for the Detroit Medical Center's Northwest Region. Bloom, a doctor specializing in hematology, will coordinate services for Grace Hospital, sinai Hospital and the DMC Health Care Centers.

Joe Krolewski of Dexter has been named management information systems director at INRECON, a disaster reconstruction company, headquartered in Birmingham. He is responsible for the company's long term technology planning, systems implementation and network management.

Lademan

Paul Lademan of Sterling Heights has been promoted to vice president and call center manager at Ross Roy Communications in Bloomfield Hills. He will supervise daily operations for marketing support services. He joined Ross Roy in 1997 after working at the EDS office in Farmington Hills.

Lichwalla

William Lichwalla of Rochester Hills has joined Plante & Moran CRESA as a real estate consultant. He had previously been on the firm's audit staff.

Thomas McDonald of Troy has been appointed corporate vice president of public affairs at Budd Company in Troy. He was previously senior managing director and general manager of Hills and Knowlton, Inc. He spent 22 years with Volkswagen of America.

McDonald

Matthews

Sandra Matthews of Bloomfield Hills has been named marketing director at Consumer One Financial in Birmingham. Previously, she was senior manager of marketing communications for Frontier Communications.

Heather Pogue has been named assistant account manager on the automotive original equipment account staff at Hedge & Company based in Southfield. She will be responsible for both internal and external communication programs for the company's major automotive supplier clients.

Sadowski

Jeffrey Sadowski of Birmingham has joined the law firm of Howard & Howard in Bloomfield Hills. Sadowski specializes in intellectual property and focuses his practice on litigation and prosecution in various aspects of patent trademark, copyright, computer law and franchising.

Ronald Steven of West Bloomfield has become a partner in the Bloomfield Hills law firm of Liss and Associates. A trial lawyer, he joined Liss and Associates in 1988. He specializes in personal injury and commercial litigation.

Jeffrey Tatro has been appointed executive vice president of operations analysis at Consumer One Financial in Birmingham. A CPA, he was previously an assistant vice president of finance at the Phoenix Group.

Wolff

Dierdre Wolff of West Bloomfield has opened Oakland County's first Cruise One office in West Bloomfield. It is a cruise-only travel organization that helps vacationers get cheaper fares and preferred cabin selections.