

Interest from savings account at Chase	\$2,000
Interest from City of Los Angeles Bonds	\$500
Ordinary and Qualified Dividend from GE stock	\$3,200
Student Loan Interest paid on Rudy's school loans	\$1,800

**Part 2 Assignment-** Please draft a client letter to the Flyers. This letter should summarize the 2015 Tax Year and explain to the couple any computations and schedules that were required for the 2015 year. (Example: During 2015, your itemized deductions were \$X, which was greater than your eligible standard deduction of \$Y.) Additionally, the Flyers have been carefully monitoring President Trump's proposed changes to the Tax Code. (<https://www.whitehouse.gov/the-press-office/2017/09/27/unified-framework-fixing-our-broken-tax-code>) (See the one page summary and full report.) Please review the proposal and explain to the Flyers if this plan has changes that would either decrease or increase the Flyers' taxes assuming their tax return figures in future years will be identical to the 2015 year. Please explain at least three tax code changes and provide at least two citations in your letter to expert commentary on the proposed plan. This letter should be written to a general audience (i.e. not tax experts) and the estimated length is 3 to 5 double-spaced pages.

**Parts 3 & 4 Assignment-** At your first meeting with Rudy and Ima, the couple asks you the following tax questions. Assume these questions apply to the 2016 tax year. Please draft a research memo for the client tax file. Also include any relevant questions you will need to ask Rudy and Ima in order to give a more definitive answer. (Estimated Length: 2 to 4 pages per memo).

**Part 3-**

Rudy has been pleasantly surprised by the success of his business, Perfect Knots and has invested his profits in the stock market. In early 2016 Rudy meets Terri Sanders, owner of a large financial services firm in town. Terri approaches Rudy with the following offer: transfer ownership to all of Rudy's investment accounts to Terri's partnership, Quick Returns, in exchange for a 25% interest in the partnership. Terri provides Rudy with investment reports showing a 15% return on investment. Rudy agrees to the deal and completes the paperwork on September 26, 2016 transferring \$1,200,000 to the partnership.

On October 10, 2016 Rudy receives a call from FBI agents that Terri is being investigated for fraud. Rudy cooperates with the FBI and provides them with all of the transaction documentation. Rudy also contacts Terri and demands his investment be returned. Terri informs Rudy that the money is currently "tied up in the market" and it would take several weeks to return the funds. The truth is Terri has spent all of Rudy's money gambling at casinos and has also misappropriated funds from several other investors. On November 15, 2016, Rudy files a civil lawsuit against Terri for the return of his \$1.2 million investment. On December 16, 2016, Rudy's attorney receives documentation showing Terri's total assets are only \$2 million yet he received investments totaling \$10 million from