

Talent, confidence and experience bring success to **Brennan Beer Gorman Architects**

When Hank Brennan, David Beer and Peter Gorman decided that it was time to move on from the firm where they were working, it didn't take them long to establish their new practice, Brennan Beer Gorman Architects (BBG). That was a little over 20 years ago. Having worked together for 16 years, each had respect and appreciation for the other's talents and design philosophies. They had much going for them, in addition to their talent, though. Confidence, experience and their high regard for clients set the stage for future success.

Within 2 weeks they found office space in New York City, a small corner of the space they still occupy today. These three architects had such a great reputation among their clients, some of those clients gave them work soon after they opened their doors. Because most of their work had been on larger structures, such as hotels, office buildings and urban mixed-use development projects, and because it was the kind of work they enjoyed, they maintained their focus on those types of projects. The first large job for BBG was as the Architect-of-Record for what is now Carnegie Hall Tower. (The Architect-of-Record is the firm that completes the construction documents and is on site during construction.) It was a significant job for the new firm and spread the BBG name within the NY City architectural arena.

In 1987, Brennan Beer Gorman Monk Interiors (BBGM) was formed in answer to clients' needs for interior design resources. Julia Monk, the first associate architect of BBG, was approached to head this new company and has built it into a successful affiliate of BBG. BBG & BBGM will occasionally work on projects together, or could be working on different jobs for the same client. BBGM has been the recipient of many interior design awards since this division was created.

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The Lodge at Turning Stone main entry

BBG Architects

The business continued to grow. Another full service office was opened in Washington, DC in 1989. Soon after, a complete renovation of New York's St. Regis Hotel proved to be a catalyst for much of the firm's new work in the hotel industry. BBG-BBGM's credits include renovations of the Sheraton New York, Sheraton Manhattan, New York Hilton, Essex House and Le Parker Meridien. New hotels recently completed in the New York area include Hotel Sofitel New York and Hyatt Regency Jersey City on the Hudson. A very recently completed project (architecture and interiors), The Lodge at Turning Stone, is part of the Turning Stone Casino Resort in upstate NY. It includes both new construction and renovation of the existing resort buildings. The Lodge is a 5-star boutique hotel and has won four design awards for BBG-BBGM since opening last year. The resort's new Tower Hotel, Event Center and Spa are the work of BBG-BBGM as well.

BBG ventured into the active Asian market in the 1990s when the architectural and construction business was slow in the United States. The firm entered eight design competitions, winning seven, and opened an office in Hong Kong. Their first major project, the Peninsula Hotel in Bangkok, Thailand, was voted the World's Best Hotel 2003 by *Travel & Leisure* magazine. As a result, many more international projects have come their way. BBG-BBGM closed the Hong Kong office in 1998 during

the region's economic downturn, opting to keep a reduced liaison presence and to provide all design services from New York. BBG's work has expanded throughout Asia, with current projects in Bangkok, Jakarta and Beijing, where they now have an office. They also have an office in Sydney, Australia. In addition to their US offices in NY and Washington, DC, they opened another office in Scottsdale, Arizona in 2003.

Between all offices, BBG-BBGM now employs over 200 people. These days, it is most likely that BBG is serving as the design architect on overseas projects, but since they know the role of design and production architect, they can appreciate the demands and needs of both. They will still sometimes take on the Architect-of-Record role for select projects and clientele. It presents great opportunity for the staff of BBG to learn new things and to keep attuned to what is happening in the building world. The principals of BBG-BBGM have great faith and confidence in their staff, grooming them to carry on the BBG-BBGM name and reputation for years to come. As Peter Gorman will tell you, "Design is really about who you have, who is on the team. Is it broad and diverse and competent?" The BBG-BBGM teams are diverse and extremely competent—a credit to the founding partners—and insurance that BBG-BBGM will continue to celebrate many more years of success.

*Product design and development key strength of **Lex Products Corporation***

"We want to be the premier supplier of power distribution to entertainment, military and industrial markets." This is a future goal that CEO and founder Robert Luther has for his company Lex Products Corporation. The good news is that they are successfully on their way to attaining that goal.

Things weren't always on such a positive track. When Luther started out, he was a manufacturer's representative selling electrical components from an office in his basement. The sales volume for those products was low. In an effort to improve his economic situation, Luther gradually switched over to being a reseller / distributor of electrical components, connectors and cables. In the early 1990s, a slow economy and a customer's need were the catalyst for changing his company's direction.



Robert Luther and Bruce Allen checking product

Because of the depressed economy, traditional users of the components weren't buying and, they were moving out of the metropolitan area. One specific market segment though, was doing fine—the entertainment industry. A New York film company was buying cables and connectors from Lex Products and liked their products very much. For this particular order, they also needed them assembled, but did not have the time to do it. They asked Lex if they would do the work. Lex agreed, deciding that they would give it a try for this one customer, to see how it went. Lex delivered and the customer was very pleased with the end product. As a result, the transition from reseller/distributor to manufacturer began. It was also during that point in time that Bruce Allen, now the company's president, joined Lex Products as the first full-time employee. Allen brought needed manufacturing expertise from his background at Ford Aerospace, as well as sales expertise from Entre Computer. The company started moving in a positive direction and continues to do so today. What began in Luther's basement office has now grown to a 75-person operation in Stamford, CT.

The business expanded and became a full-fledged manufacturer, adding more products to their line. They were no longer selling other companies products; they were designing and selling their own. Luther views their product design and development as one of their greatest strengths. There are over 15 new products in development right now. The "design" team consists of Luther, President Bruce Allen, electrical engineer, Ken Makowski, and electronics consultant, Arnold Tang. While each has other pivotal roles within the company, they spend a certain percentage of their time on design. To their credit, a number of the company's designs and products have won many industry awards.

Cables, switches, connectors and power distribution boxes are key products. In the late 1990s, Lex developed and introduced the first portable power distribution box made of rubber. To the average consumer, this may not mean much. However, if you are shooting a remake of the movie, *The Poseidon Adventure*, and you need powerful electrical equipment that is safe around water, then that rubber distribution box means a lot to you. Currently, Lex Products is providing these boxes for just that. Because Lex assembles these items right in Stamford, their turnaround time for an order is quick, and in the entertainment production world that is very important.

These rubber distribution boxes are important to another customer group that uses many Lex products. Because the boxes are weather-proof, as well as portable, stackable and lightweight, they are perfect for use by the United States military. Work with the military began as a result of the war in Iraq when Lex was given the

opportunity to produce a large job. They did the job well, became a government-approved supplier and business in this market segment took off. Lex Products are used around the world by various branches of our military to get power from their generators to tents, command posts and base camps for heat, air conditioning, communications, laptops—whatever needs power to run. They recently won an exclusive 5-year contract with the Marines and will be providing power distribution for all their worldwide operations.

The company is planning to expand their reach in the industrial markets (i.e., factories and construction sites). Bob Luther looks to the future with a positive outlook, anticipating the continued growth of Lex Products, and to achieving the goal of being the “premier supplier of power distribution to entertainment, military and industrial markets.”

NEWS FROM FINANCIAL PLANNING



Advance directives, living wills, and Do Not Resuscitate (DNR) orders, are all terms that most of us have heard at some point, and, in recent months, in the news. All pertain to the very personal and sensitive issue of end-of-life care decisions that must be made about your care, but may not be able to be made by you if you are terminally ill or permanently unconscious.

News stories about the Terry Schiavo case focused the spotlight on the all important need for having an advance directive in place, for anyone. Without one you run the risk of having important medical decisions about your care being made by a medical professional, a family member or possibly even by a court—decisions that you may not necessarily agree with or that could leave a family member wondering whether or not they did the right thing for you. An advance directive specifies the type of medical treatment you would or would not want based upon how sick you are.

A living will, which is one form of an advance directive, is probably the one most people have heard about. Although you don't need a lawyer to create one, it is considered a legal document and requires the notarized signatures of two witnesses. If you are entering a hospital or a nursing facility, they are legally obligated to ask if you have a living will. If you do not have one, they may also provide you with information about advance directives. However, they cannot deny you medical care if you do not have a living will.

When writing a living will, be very specific in the language you choose. (Using terms like “heroic

measures” is much too broad.) Living wills can only address end-of-life care issues regarding life-support (oxygen, feeding tubes, cardiopulmonary resuscitation). The living will usually goes into effect if you are permanently unconscious or if you are terminally ill (the very final stage of an illness with death near). A DNR order is usually part of a living will, and deals specifically with CPR. The laws dealing with advance directives, as well as the terms used and standard forms, can vary by state so it would be wise to familiarize yourself with the laws of the state you live in.

Another advance directive step, and one that should accompany the creation of a living will, is the appointment of a health care agent or health care proxy and/or a health care attorney-in-fact (sometimes called durable medical power-of-attorney). In Connecticut, the health care agent can only make decisions regarding life support. Your appointed health care attorney-in-fact is the person who must make any other major medical decisions i.e., about surgery, blood transfusions or physical therapy. Your health care agent and your health care attorney-in-fact may be the same person. In New York State, the health care proxy and durable power-of-attorney for health care are one in the same. Whichever is the case, this is the person or persons that will be there to ensure that your living will is executed as you desire. You should make sure that your wishes are completely understood by that person so they will be able to make informed decisions about your care.

Once your living will is written and you have discussed it in detail with your health care agent, also have a discussion with family members, doctors, friends, clergy and your lawyer. Give a copy to your doctor, your health care agent, your health care attorney-in-fact and/or anyone else that could make the existence of your advance directives known, if you cannot. If you are going into a hospital or a nursing home facility, bring a copy with you.

As stated earlier, different states have different terms and forms for living wills and advance directives. Here are some websites that may help you:

- AARP: http://www.aarp.org/families/end_life/
- Connecticut Attorney General's office: <http://www.cslib.org/attygenl/mainlinks/> Click on Health Issues tab. This takes you to a group of topics, one being “Connecticut Laws About Living Wills.”
- Information and forms about NY State Laws can be found at The Center for Hospice & Palliative Care: http://www.palliativecare.org/advancedirectives/nys_law.asp or on the website for the NY State Bar Association: <http://www.nysba.org> (type “living wills” in the search box).

FINANCIAL & TAX



BRIEFS

IRS Clarifies Health Insurance Rules

Up until recently, there has been some confusion as to whether a health insurance policy for a sole proprietorship should be in the name of the proprietor or the business in order for that person to deduct the insurance costs for themselves and eligible family members. The IRS has clarified this issue, announcing that the policy can be issued in the person's name. However, there are stipulations.

If you have more than one business, you cannot combine the net earnings to maximize the net income limit for the deduction. The deduction must be for a specific plan providing medical care coverage established for a specific trade or business. No deduction is allowed if the cost of the policy exceeds the business' earned income or during a month that the self-employed individual is eligible to participate in a subsidized health plan by their employer or their spouse's employer.

If you have more than one business, and more than one health insurance policy (i.e., medical, dental, vision) it may be advisable to designate one policy for each business. If you have any questions, please feel free to call our office and ask to speak with one of our partners..

FSA Guidelines Revised

The IRS has issued revised guidelines for employer-sponsored flexible spending accounts (FSAs). With an FSA, employees set aside a certain amount of money on a pre-tax basis to pay for medical and dependent care costs. This can bring about significant tax savings for both employer and employee. The one drawback for employees is that if there is a balance left in the account at the end of the benefit year, the money goes back to the employer. New guidelines from the IRS relax the "use-it-or-lose-it" rule, somewhat, by now allowing employees a 2-1/2-month grace period after the benefit year ends. Employers must amend their plans accordingly. An important point to note: the use-it-or-lose-it rule is still in effect. There's just a little more time to utilize a balance before it is lost.

In accordance with Circular 230 (US Treasury Regulations governing tax practice), please note: This material and any attachment was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. Anyone reading this material should seek advice based upon your particular circumstances, from an independent tax professional.

FIRM NOTES



- Great things have been happening at Schwartz & Hofflich over the past few months. We received the 2005 Small Business of the Year Award from the Norwalk Chamber of Commerce in recognition for our continued commitment to the community and the entrepreneurial spirit.
- We are happy to welcome new accountants, Jeannine Kirschner, Matt Bradley and Kathleen Hanrahan-Liguori. Jeannine has been working in the tax and accounting field for over 20 years. She holds a bachelor's of business administration from Pace University. Jeannine is currently working towards becoming a Certified Divorce Financial Analyst. She is a board member of the Association of Divorce Financial Planners. Kathy, has been a CPA for 13 years, and has a bachelor's degree from SUNY/Binghamton. She has just completed her master's in taxation from Baruch College. Kathy has experience in both the private and public sectors. Matt started his professional career 4 years ago after graduating from the University of New Haven with a bachelor's degree in accounting. He is working towards his CPA certification. He is currently in graduate school for his master's degree in taxation.
- In May, the Connecticut Society of CPAs presented Ann Jevne with their Annual Service Award in recognition of her outstanding work on behalf of their Investment Committee which she has chaired for the past 2 years and for the many years of volunteer work that she has been involved with them. Ann also appeared on National Public Television's *Nightly Business Report* in March, as part of a discussion panel on insurance. And, she has been named to the AICPA's Personal Financial Planning Conference Committee.
- Gil Watkins has been elected the treasurer of the Norwalk High School Marching Bears. Barry Sunshine was one of the featured speakers at the DFK Multi-Discipline Conference, held in California.
- In June, we awarded the annual Irving and Rita Schwartz Scholarship for the Creative Arts to 2 Norwalk high school students. Both are majoring in interior design. Panaila Pampoukidis from Norwalk High will be attending Marymount College. Sandy Destrugé from Brien McMahon High School will be attending Savannah College of Art and Design.
- We are pleased to announce that we have been retained by: Fairview Mechanical Services, LLC; Grand Alliance Realty LLC; Impala Partners, LLC; Masterworks Painting; Peaceful Nights Productions, LLC; Quadrant Parallel Fund, LLC; Quarttro LLC; Spinnaker Investment Partners LP.

