Volume 75, No. 1

Eighth Judicial Circuit Bar Association, Inc.

September 2015

President's Message

By Rob Birrenkott

Gather, Grow, Give.

This is the theme for my presidency of the Eighth Judicial Circuit Bar Association. It is derived from why this organization means a great deal to me personally. When my family moved to Gainesville, we did not know anyone. However, by participating in the EJCBA, strangers became acquaintances, and ultimately, acquaintances grew into friends and mentors. I am grateful for these relationships. I hope you will take advantage of the many opportunities the EJCBA Board of Directors created for you to GATHER socially and stay connected with old friends while making new ones. I am also grateful for the professional development opportunities made possible by the EJCBA that have enabled me to **GROW** professionally. My participation in the EJCBA has opened up doors that otherwise would have remained closed and I look forward to offering member benefits that will enhance your respective practice.

Finally, it was last year's "EJCBA Holiday Project" that influenced the "give" component of the theme for the upcoming year. Candidly, I was preoccupied and felt like I had a million things to do and I was reluctant to add anything to my calendar. However, those concerns faded when I visited the Head Start building and watched local youth gather with their families, sing holiday songs, receive presents, and have their picture taken with Santa; this was only made possible by the generosity of our members. It became clear to me that when the EJCBA makes it possible for busy members to GIVE efficiently, it is doing something "for" our members rather than asking for something "from" them. Please consider making time to participate in initiatives that will allow you to make a big impact with a small amount of your time; you might discover that you are the beneficiary.

I am looking forward to a great year and the opportunity to serve as EJCBA President. It is my hope that I will be able to give our members a fraction of the benefit I have received from this organization. If that turns out to be the case, then this will have been a very successful year.

Here are a few upcoming events designed to help you GATHER, GROW, and GIVE.

Gather

Our first luncheon is Friday, September 18 and our guest speaker will be Dr. Owen Roberts, Superintendent of Alachua County Public Schools.

Fall family-friendly social on Friday, October 2 at Cymplify in conjunction with their "First Friday Food Truck Rally" from 5:00-8:30, marking the conclusion of our friendly challenge with the doctors to raise money for the GRACE Marketplace kitchen.

Grow

- "Trial Skills: Practice and Protocol" is a free CLE workshop series for EJCBA members hosted by Judge Hulslander that will run from 2:00 p.m. 5:00 p.m. every Friday from October 2 through October 23. Please see the announcement in this newsletter for more details.
- The EJCBA is sponsoring a symposium organized by the UF Law Center for Governmental Responsibility, the UF Bob Graham Center, and the League of Women Voters on the Florida Constitution Revision Commission. The event is scheduled for the afternoon (beginning at 4pm) of Thursday, October 8. Free CLE is anticipated so please save the date and be on the lookout for additional details.

Continued on page 3

2015-2016 EJCBA Officers

Robert M. Birrenkott, Jr. President P.O. Box 117630 Gainesville, FL 32611 (352) 273-0860 (352) 392-4640 (fax) rbirrenkott@law.ufl.edu

Stephanie Marchman
President-Elect
200 E University Ave, Ste 425
Gainesville, FL 32601
(352) 334-5011
(352) 34-2229 (fax)
marchmansm@cityofgainesville.

Meshon Trinette Rawls President-Elect Designate P.O. Box 117626 Gainesville, FL 32611-7626 (352) 273-0800 (352) 392-0414 (fax) rawls@law.ufl.edu Raymond F. Brady Past President 2790 NW 43rd St., Ste 200 Gainesville, FL 32606 (352) 373-4141 (352) 372-0770 (fax) rbrady1959@gmail.com

Sharon T. Sperling Treasurer 2830 NW 41st St., Ste. C Gainesville, FL 32606-6667 (352) 371-3117 (352) 377-6324 (fax) sharon@sharonsperling.com

Michele Lieberman Secretary 12 SE 1st Street Gainesville, FL 32601 (352) 374-5218 (352) 374-5216 (fax) mlieberman@alachuacounty.us

Members at Large

Nancy T. Baldwin 309 NE 1st Street Gainesville, FL 32601 (352) 376-7034 (352) 372-3464 (fax) baldwinnt@cox.net

Jan Bendik 901 NW 8th Ave., Ste. D5 Gainesville, FL 32601 (352) 372-0519 (352) 375-1631 (fax) jan.bendik@trls.org

Richard H. Fabiani, II P.O. Box 5877 Gainesville, FL 32627 (352) 376-5226 rfabiani@chandlerlang.com

Norm D. Fugate P.O. Box 98 Williston, FL 32696 (352) 528-0019 (352) 528-4919 (fax) norm@normdfugatepa.com

Courtney Wilson Johnson 115 NW 34th St Gainesville, FL 32607 (352) 372-1282 (352) 375-9960 (fax) courtney@foldsandwalker.com

Philip N. Kabler 2700 NW 43rd Street, Ste C Gainesville, FL 32608 (352) 332-7688 (352) 332-7692 (fax) pkabler@boginmunns.com

Tee H. Lee 2830 NW 41st Street, Bldg M Gainesville, FL 32606 (352) 375-5602 (352) 373-7292 (fax) tee.lee@swansonlawcenter. com

Dominique Lochridge-Gonzales 901 NW 8th Avenue, Ste D5 Gainesville, FL 32601 (352) 415-2324 (352) 375-1631 (fax) dominique.lochridgegonzales@trls.org

Frank Maloney – Historian 445 E. Macclenny Ave., Ste. 1 Macclenny, FL 32063-2217 (904) 259-3155 (904) 259-9729 (fax) Frank@FrankMaloney.us James H. "Mac" McCarty, Jr. 2630-A NW 41st Street Gainesville, FL 32606 (352) 240-1226 (352) 240-1228 (fax) mac@lawgators.com

George Nelson 81 N. 3rd Street Macclenny, FL 32063 (904) 259-4245 (904) 259-0285 (fax) nelsong@pdo8.org

Peg O'Connor 102 NW 2nd Avenue Gainesville, FL 32601 (352) 372-4263 (352) 375-5365 (fax) peg@turnerlawpartners.com

Judith Paul 4040 W. Newberry Road Gainesville, FL 32607 (352) 872-5911 (352) 872-5912 (fax) judy@jbpaullaw.com

Monica Perez- McMillen 101 NW 75th St, Ste 1 Gainesville, FL 32607 (352) 335-2393 (352) 375-0104 (fax) m.perez@foryourlaw.com

Daphne D. Saddler 203 NE 1st Street Gainesville, FL 32601 (352) 372-4381 (352) 376-7415 (fax) duplessis.daphne@gmail.com

Jennifer Springfield 806-B NW 16th Ave Gainesville, FL 32608 (352) 371-9909 (352) 377-4077 (fax) jennifer@springfieldlawpa.com

Dawn M. Vallejos-Nichols Editor 2814 SW 13th Street Gainesville, FL 32608 (352) 372-9999 (352) 375-2526 (fax) dvallejos-nichols@avera.com

Mary K. Wimsett
1204 NW 69th Ter, Ste D
Gainesville, FL 32605
(352) 379-1900
(352) 379-3926 (fax)
mkwimsett@millerelderlawfirm.
com

Contribute to Your Newsletter!

From The Editor

I'd like to encourage all of our members to contribute to the newsletter by sending in an article, a letter to the editor about a topic of interest or current event, an amusing short story, a profile of a favorite judge, attorney or case, a cartoon, or a blurb about the good works that we do in our communities and personal lives. Submissions are due on the 5th of the preceding month and can be made by email to dvallejos-nichols@avera.com.

About This Newsletter

This newsletter is published monthly, except in July and August, by:

Eighth Judicial Circuit Bar Association, Inc. P.O. Box 13924

Gainesville, FL 32604 Phone: (352) 380-0333 Fax: (866) 436-5944

Any and all opinions expressed by the Editor, the President, other officers and members of the Eighth Judicial Circuit Bar Association, and authors of articles are their own and do not necessarily represent the views of the Association.

News, articles, announcements, advertisements and Letters to the Editor should be submitted to the Editor or Executive Director by Email. Also please email a photograph to go with any article submission. Files should be saved in any version of MS Word, WordPerfect or ASCII text.

Judy Padgett Dawn M. Vallejos-Nichols
Executive Director Editor
P.O. Box 13924 2814 SW 13th Street
Gainesville, FL 32604 Gainesville, FL 32608
(352) 380-0333 (352) 372-9999
(866) 436-5944 (fax) execdir@8jcba.org (352) 375-2526 (fax) dvallejos-nichols@avera.com

Deadline is the 5th of the preceding month

GIVE

- "Ask a Lawyer" is a monthly service where the EJCBA, in partnership with Three Rivers Legal Services and Southern Legal Counsel, coordinates attorney volunteers to help the homeless identify and resolve legal issues contributing to their homelessness. The next event will assist homeless veterans on Friday, September 11 in conjunction with the "Homeless Veterans Stand Down." If you would like to become more involved with the "Ask a Lawyer" program, please email EJCBA Past President Ray Brady (rbrady1959@gmail.com).
- As noted earlier, the GRACE Marketplace kitchen fundraiser is wrapping up this fall. Just by showing up at Cymplify on Friday, October 2 and enjoying music, food, beer, wine, and ice cream you can help make a difference. A portion of all the sales that evening will go toward the GRACE Marketplace kitchen. Stick around to see if the president of the EJCBA or ACMS gets doused with a bucket of ice water at the end of the evening. You can also "Pitch In for the Kitchen" by making a donation here http://pitchinforthekitchen.gracemarketplace.org/ or sharing this link with others.

Congratulations To The Class Of 1965

At the Florida Bar Annual Convention this past June, the Florida Bar honored its 50-year members for their dedication to the legal profession. Congratulations to the honorees in the Eighth Judicial Circuit:

Bennett H. Brummer
Gainesville
Chester Burt Chance
Gainesville
Charles Irvine Holden, Jr.
Gainesville
Michael J. Minerva
Macclenny
James R. Pierce
Micanopy

New Administrative Orders

On June 24, 2015 Judge Roundtree signed Administrative Order 1.30, Notice of Appearance Requirements for All Cases, effective July 1, 2015. This order renumbers and replaces AO 5.11, and can be reviewed at http://circuit8.org/administrative-orders.

Also effective July 1, 2015 is Administrative Order 7.10, Guardianship Reports, Audits, and Budgets. This Order renumbers and replaces Administrative Order 7.10(v1) dated October 5, 2012. It, too, can be reviewed at http://circuit8.org/administrative-orders.

Larry Turner, Peg O'Connor, and Ron Kozlowski are pleased to announce that

Scott T. Schmidt, Esquire

HAS JOINED THE FIRM AS AN ASSOCIATE

The firm welcomes Scott Schmidt, who comes from the Fifth Judicial Circuit Office of the Public Defender in Marion County. Mr. Schmidt will continue concentrating his practice in criminal defense in county and circuit court. He can be reached at sts@turnerlawpartners.com or at the address and phone number below.



(352) 372-4263 • turnerlawpartners.com 102 NW Second Avenue • Gainesville. FL 32601

TRIAL SKILLS: Practice & Protocol

A FREE CLE trial skills workshop will be available to attorneys who are members of the EJCBA. This course is meant to teach basic trial skills for new trial attorneys or go back to the basics for experienced attorneys. Participants will receive direct input from several members of the bench on expectations of trial performance in the Eighth Judicial Circuit. Space is limited. Participants will be required to attend every session listed – no absences are permitted. Observers are invited to attend and may contribute as the program and time allows. Observers will be given limited CLE credit for observation of any full day(s) of attendance.

- What:Trial Skills: Practice & Protocol (CLE workshop series) Presenter: Honorable Victor L. Hulslander and other members of the bench.
- When:
 Friday, October 2, 2015, 2:00 pm 5:00 pm
 Friday, October 9, 2015, 2:00 pm 5:00 pm
 Friday, October 16, 2015, 2:00 pm 5:00 pm
 Friday, October 23, 2015, 2:00 pm 5:00 pm
- Where: Alachua County Civil and Family Justice Center – Courtroom TBA
- Cost: FREE to EJCBA Members
- CLE Credit (pending): 18 general credit hours and 1 ethics hour

Topics of Discussion:

- Witnesses
- · Direct and cross examination
- Courtroom protocol: How to walk, talk, and not chew gum in court
- · Laying a foundation
- Evidence and objections
- Opening/closing statements
- · Making the record

Details, documents, and registration will be available online at EducateThe8th. com. If you have any questions, please email EducateThe8th@gmail.com.

Salaried Employees Who Earn Under \$50,000 to be



Eligible for Overtime

by Laura Gross

At the end of June 2015, the Department of Labor proposed regulations to expand overtime eligibility to nearly 5 million workers in 2016. This would include nearly all salaried

employees who earn up to \$50,440.

Generally, in order to be exempt from overtime pay, an employee must be a high-level executive, administrative, or professional employee who meets both a "duties" test and a "salary" test. Today, the salary threshold is \$23,660, which is relatively low and easily met. The proposed regulations raise that threshold to \$50,440 (about \$1,000 per week) and ties it to the 40th percentile of earnings for full-time salaried workers (meaning that about 40 percent of the working population should be eligible for overtime). The regulations also increase the total annual compensation requirement for exempt highly compensated employees to \$122,148 (currently \$100,000), the 90th percentile, and "establish a mechanism for automatically updating the salary and compensation levels going forward."

While the proposed regulations do not change the duties test, the proposal "solicits suggestions" and "requests comments on the current requirements."

The proposed regulations are intended to apply to millions of employees. Accordingly, companies and industries affected by the proposal may want to consider submitting their comments regarding the regulations' impact. And, employers with salaried employees who make less than \$50,440 need to review their wage and hour practices to see who might be affected by these regulations.

Dave Hemingway - Account Executive

<u>David.hemingway@lexisnexis.com</u> Direct: 561-876-7048

Contact me today to find out how you can qualify for a \$50 gift card



Alternative Dispute Resolution



Supreme Professionalism
By Chester B. Chance and
Charles B. Carter

Several articles have been written about the friendship between Supreme Court Justices Ruth Bader Ginsburg and Antonin Scalia. Perhaps no two Justices are more ideologically disparate. Yet, their friendship is enduring and

sincere. In an age when disagreement often breeds professional discourtesy, bitterness, and even dislike, these two Justices of the highest court in the land are also exemplars of the highest professional ideals.

This jurisprudential odd couple has been the subject of several media articles detailing their friendship.

Scalia often refers to the Constitution as being "dead" in the sense that he is a strict constructionist. Ginsburg, on the other hand, believes in a "living and breathing Constitution" that evolves and changes with the times. Their close friendship belies their jurisprudential differences.

Scalia and Ginsburg and their families frequently dine together. They frequently vacation together. Every New Year's Eve they ring in the New Year together.

They appear jointly at seminars and conferences and those present in the audience are surprised at their obvious mutual friendship and the humor generated when they gently tease each other. "She likes opera, and she is a very nice person. What's not to like?" Scalia remarked, then adding "except her views on the law."

A photograph of Scalia and Ginsburg riding an elephant in India during a joint vacation with their families was circulated by the press. "Her feminist friends were upset" Scalia said, because "she rode behind me." Ginsburg added that their placement was "a matter of distribution of weight." Both comments said smilingly and with obvious affection.

Ginsburg said the first time she heard Scalia speak at a law conference, before they became Supreme Court Justices, "I disagreed with most of what he said, but, I loved the way he said it." They first met in the early 1980s as judges on the U.S. Court of Appeals in Washington. A former

Ginsburg law clerk observed that Ginsburg's

husband and several clerks arranged a small party to celebrate Ginsburg's tenth year on the Appellate Court and only one Justice attended: Scalia. That same law clerk, Lisa Blatt, felt their friendship is based on mutual respect and common interest "that transcends their ideological differences."



Shortly after Ginsburg's husband died of cancer in 2010, she came to the court to deliver an opinion. As she spoke, observers recall Scalia sat a few feet away, wiping away tears. Scalia and Ginsburg and their spouses had often eaten dinner at each other's home, especially at Ginsburg's house where her husband was known as an excellent chef. All of this despite, for example, in the year 2012 when the two agreed on only 56% of the Supreme Court's cases that term - the lowest rate of any two Justices. When only 5-4 decisions were included they agreed just 7% of the time. Yet, as stated, they transcend those legal disagreements and remain steadfast and long-lasting and respected friends. Ginsburg has stated to Scalia that the court's constitutional decisions should reflect changing social attitudes to which Scalia objects and responds "we are not going to agree on this, Ruth."

Why are these two, two of the highest judges in the land, role models? Because, too often the authors have encountered local lawyers who do not come close to approaching the professionalism of Ginsburg and Scalia. They are quick to judge and rebuke fellow lawyers for their political preferences. Local lawyers are often quick to disparage a fellow professional for their social views. They sometimes mix politics and social views with professionalism by begrudging membership in professional groups to those with whom they disagree socially or politically. Lawyers who refer to Scalia with disdain should consider the friendship which Ginsburg values. Attorneys who look with disdain upon Ginsburg should contemplate the values and examples which Scalia appreciates.

We write this article not because so few lawyers do not follow the example of Ginsburg and Scalia, but, because perhaps too many fail to exhibit their professionalism. These members of the highest court of the land act in a manner which you would hope for and expect: professionalism above all else.

Criminal Law



By William Cervone

They say that clothes make the man, or, to be politically correct and as applicable to the story I have for you today, the woman. Apparently the same is true as to witnesses.

One day in 2006 Jabe Carney managed to crash his car

while approaching the northbound Skyway Bridge toll booth in Manatee County. Unfortunately for him he was drunk at the time, and even more unfortunately for one of his passengers, the accident resulted in that passenger's death.

At his resulting trial for DUI Manslaughter, Jabe's mother was called and testified as a State witness. Apparently following the heretofore unknown but common sense corollary of an old saying regarding praying together to the effect of "the family that is incarcerated together stays together," Jabe's mother was at the time of her son's trial herself in jail. Hence, despite posing no threat to courtroom security but just as a matter of routine, she appeared for trial and testified attired in a jail uniform, shackled and handcuffed. Jabe's lawyer later admitted that he did not object to this because his client's mother was the State's witness, not a defense witness. Jabe, being dissatisfied with the 15 year prison sentence he ultimately got, eventually and after his initial appeal was rejected, claimed that this failure to object was ineffective assistance of counsel.

The law, of course, has long and specifically said that a defense witness cannot be compelled to appear to testify in jail or prison clothing if the defendant objects. This is no different than other sartorial situations where it has been held to be prejudicial to the defendant for the courtroom to be full of uniformed correctional or police officers during a trial for, say, murder of a correctional officer or policeman. Some states have affirmatively extended this dress code to all witnesses in all criminal cases. Florida has never done so, at least (you guessed it) until now. Florida, in fact, has specifically rejected this kind of argument before. After all, as was noted by the 5th DCA in a case set in a prison where, of course, many State witnesses might be inmates, "[I] f there was any prejudice it was against the State since the fact of the State's witnesses' inmate status would affect the credibility of their testimony against the defendant."

That rationale, however, held no sway with the 2nd DCA when it heard Jabe's ineffective assistance appeal. While agreeing that a witness's inmate status may impact the witness's credibility and, in Jabe's case, have prejudiced the State as the party that called the witness, the court said that "it is also true that the witness's inmate status may hurt the defendant 'in so far as the witness is conceived to be associated with" the defendant. The 2nd DCA's authority for that, and the source of its quotation, is a 1973 Massachusetts case. We all know how much alike Massachusetts and Florida are. The 2nd DCA also, however, pulled some language from a 1st DCA case dealing with a defense witness appearing in jail clothing, that being that "the jury may believe the defendant is 'quilty by association' with the incarcerated witness." And so, the 2nd DCA has concluded, a defendant may be prejudiced through guilt by association no matter who calls a jailed witness if the defendant "is perceived to be closely associated with the witness."

Unfortunately for Jabe, whose string of bad luck remains intact, the 2nd DCA also found that his lawyer's novel form of ineffectiveness for not objecting to this previously unobjectionable matter mattered not as the other evidence was to them such that he'd have been convicted anyhow. Jabe thus remains in prison where he will be through most of this decade.

What all of this means for the rest of us is somewhat less clear. Since this is apparently a case of first impression in Florida, ruling-wise at least, it is of precedential value everywhere. That it is an ineffective assistance ruling and not a ruling on the actual issue of who wears what when seems to be of little import. I suppose, as a result, that we will all now engage in an absolute charade whereby incarcerated State witnesses might be finely attired in their pre-arrest Sunday best least anyone look at them with jaded eyes. Unless, of course, counsel should want to ask such annoying questions as "aren't you in jail for what you did?" Things, of course, may also depend on what "closely associated" might mean. I mean, one would assume that Jabe would be closely associated with his mother, incarcerated or not.

Such a tangled web we weave. Summer was a good thing as I needed some time away from appellate decisions. The respite, however, is over and the word games have started anew.

2015-2016 Eighth Judicial Circuit Bar Association Luncheons

We hope you will join us for the EJCBA's monthly luncheons this coming year at The Wooly, 20 North Main Street, in downtown Gainesville. EJCBA luncheons provide you with a fantastic opportunity to network with local lawyers and judges and learn more about our community and issues affecting the bar. Indeed, EJCBA luncheons readily promote our mission to help you GATHER, GROW, and GIVE.

Luncheon Speakers

We will kick off our first luncheon on September 18, 2015 with Dr. Owen Roberts, Alachua County Superintendent of Schools, who plans to speak about the School-to-Prison Pipeline. Dr. Roberts grew up in poverty in Jamaica with seven siblings and parents who worked on a sugarcane farm. With the support of a mentor, he became excited about learning. This excitement never waned, as he ultimately earned bachelor's degrees in biochemistry and religion; master's degrees in research and statistics and computer science; and a Ph.D from the University of Miami. He worked his way up from teaching science to being a superintendent for an entire district. And in the short time he's served as Alachua County's Superintendent, he's made some significant and sometimes controversial changes. We hope you'll come to the September luncheon to meet Dr. Roberts and support our local public schools.

In addition to Dr. Roberts, the following speakers have been confirmed for 2015-2016:

- November 13: Laura Rosenbury, Dean, University of Florida Levin College of Law
- December 11: The Honorable Scott Makar, Judge, Florida First District Court of Appeal
- January 15: The Honorable Robert E. Roundtree, Chief Judge, Eighth Judicial Circuit of Florida
- February 12: Bruce Blackwell, CEO/Executive Director, The Florida Bar Foundation
- May 13: Ramon Abadin, President, The Florida Bar

Luncheon Pricing and Registration

As an added member benefit, we have brought back the EJCBA Meal Plan for the 2015-2016 EJCBA Luncheons. The first 50 EJCBA Members may purchase entry to all nine EJCBA Luncheons in 2015-2016 for \$135 (\$15/luncheon). To purchase an EJCBA Meal Plan for 2015-2016, please visit http://8jcba.dev.acceleration.net/pay-dues/.

For those who do not purchase the EJCBA Meal Plan, luncheon prices will remain the same in 2015-2016: \$17 for EJCBA Members, \$20 for EJCBA Members who do not register for the luncheon by the deadline, and \$25 for Non-Members.

To register for the September 18, 2015 EJCBA Luncheon (members who purchase a meal plan must also register for the luncheon), please visit http://8jcba.dev.acceleration.net/event-registration/sept-2015-luncheon/ and register by Monday, September 14th at noon.

Mark your Calendar Now – EJCBA 2015-2016 Luncheon Dates and Post-Luncheon Continuing Legal Education Opportunities

It is anticipated that CLE opportunities will be offered following these luncheons, so please calendar them now:

- December 11, 2015 (CLE: Appellate Practice Before the First DCA)
- January 15, 2016 (CLE: A View From the Bench)
- March 11, 2016 (CLE: Leadership Roundtable)
- May 3, 2016 (CLE: TBD)



Judge Williams meets UF Levin College of Law's new Dean, Laura Rosenbury

Florida Partnerships And §1031 Exchanges:

Available Options For Partners And Partnerships

By William F. Webster, Esquire and Jeff Stechmann¹

Like any taxpayer, a partnership (and a limited liability company taxed as a partnership, generally referred to herein as a "partnership") can engage in a like-kind exchange under IRC Section 1031 to defer paying tax on capital gains. Difficulties can arise, however, when the individual partners desire different outcomes with regard to the sale of property by the partnership. Some partners may wish for the partnership to stay together and do an exchange; others may want to do their own exchange with their portion of the property; still others may wish to receive cash and simply pay the tax. What alternatives are available to the partners?

Partners Doing Separate Exchanges

A taxpayer must own a capital asset to do a 1031 exchange. The fact that a partnership owns a capital asset does not mean that the individual partners have an ownership interest in that asset. The partners merely own partnership interests. Partnership interests are specifically excluded from Section 1031 under section 1031(a)(2)(D). Therefore, if an individual partner wants to do a 1031 exchange, the partner must convert his or her partnership interest into an interest in the capital asset owned by the partnership.

One method for accomplishing this, known as a "drop and swap," involves the liquidation of a partnership interest by distributing an interest in the property owned by the partnership. After completion of the "drop," the former partner will have converted his or her partnership interest into an interest in the actual property itself, as a tenant-in-common with the partnership. The property can then be sold, with the former partner and the partnership each entitled to do what they wish (sale or exchange) with their respective interests.

Related to the "drop and swap" is the "swap and drop." This involves the same two steps, but in reverse order. The partnership completes the exchange (the "swap"), and then distributes an interest in the replacement property to the departing partner.

Holding Period Issues

Both the "drop and swap" and the "swap and drop" alternatives raise potential holding period issues. If the "drop" occurs close in time to the "swap" (or vice versa), there may be some question as to whether the relinquished property (or replacement

property) was "held for investment." Also, if the drop appears too close in time to the swap, the partner's exchange may be deemed an exchange by the partnership under the *Court Holding* case [See *Commissioner v. Court Holding Co.,* 324 U.S. 331, 65 S.Ct. 707 (1954)]. Clearly, the more time that passes between the "drop" and the "swap" (or vice versa), the better.

Regarding the above issues, a line of federal cases (*Bolker, Mason, Maloney*, etc.) provides taxpayer-friendly authority against challenges by the IRS. However, some state taxing authorities (notably, the California Franchise Tax Board) aggressively challenge exchanges, and argue that they are not bound by these federal cases. Also, changes made in 2008 to the federal partnership tax return (IRS Form 1065) make it easier to detect when drop and swap transactions have occurred, thus making such transactions more vulnerable to challenge by taxing authorities.

Partners Getting Cashed Out

In some instances, a majority of the partners may want the partnership to complete an exchange, but one or more of the other partners may want to be "cashed out" with the sale of the relinquished property. One way to accomplish this is for the partnership simply to receive cash from the sale in an amount sufficient to purchase the departing partners' partnership interests. This cash, however, would be "boot," and would require the partnership to allocate the resulting gain among all of the partners.

A better alternative, known as a partnership installment note ("PIN") transaction, results in the gain associated with the "boot" being recognized only by the departing partners. In a PIN transaction, instead of receiving cash, the partnership receives an installment note in the amount necessary to cash out the departing partner(s). The note is transferred to the departing partner(s) as consideration for their partnership interests. If at least one payment under the note is to be received in the year following the exchange, then the gain associated with the note will be taxed under the Section 453 installment method, and recognized only when the actual payments are received by the departed partner(s).

Exchanges Followed By Contribution

When an individual completes an exchange

Continued on page 9

Florida Partnerships Continued from page 8 and then immediately contributes the replacement property to an entity, or when an entity exchanges property immediately after receiving it as a contribution, a holding period issue could arise. Such an issue was resolved in the taxpayer's favor in the Magneson case, which involved an exchange by an individual, followed immediately by a contribution of the replacement property to a general partnership. Magneson provides useful authority against challenge by the IRS, and the same logic was applied at the state level in the Marks case in Oregon, although its application in other states is not clear.

Election Under Section 761

As stated above, partnership interests are specifically excluded from the application of Section 1031. A very narrow exception applies to a partnership that has elected, under Section 761(a), not to be subject to the partnership taxation

provisions of Subchapter K. The election applies only to a partnership: (i) for investment purposes only and not for the active conduct of business; (ii) where the partners hold title to the property as co-owners; (iii) where each owner reserves the right to separately take or dispose of his or her share of the property; and (iv) which has no active trade or business. If a partnership makes such an election, a partnership interest will be treated as an interest in the underlying assets, and can be exchanged under Section 1031.

1 Jeff Stechmann is the Florida Division Manager with Asset Preservation, Inc., a leading national Qualified Intermediary. Mr. Stechmann can be reached at 844-252-1031 or at jeff@apiexchange.com. William F. Webster is a Vice President, Counsel with Asset Preservation, Inc.

As a "Qualified Intermediary" as defined in the Section 1031 regulations, Asset Preservation, Inc. is not able to provide legal or tax advice. Accordingly, you should review the details of your specific transaction with your own legal or tax advisor

Three Rivers Legal Services Advocates For Veterans

By Marcia Green

Three Rivers Legal Services has partnered with Supportive Services for Veterans Families to provide specialized housing, employment, financial and other legal assistance to homeless veterans in an attempt to help these veterans address the hindrances that have contributed to their homelessness.

According to the Florida Department of Veterans' Affairs, more than 1.5 million veterans live in Florida, roughly 12 percent of the State's population 18 and over. This includes:

- More Vietnam-era veterans than any other wartime category
- Almost half as many Afghanistan and Iraq veterans
- The largest population of World War II veterans
- The third largest population of disabled veterans in the nation.

In the 17 counties served by Three Rivers, there are almost 200,000 veterans, many seeking services from the Veterans' Affairs hospitals in Gainesville and Lake City and Jacksonville's Naval hospital, as well as living in and around Camp Blanding and the Jacksonville Naval Air and Naval Stations in Mayport.

While any eligible veteran can receive services within Three Rivers' priorities, several of our advocates offer specialized services to this population.

In Gainesville, staff attorney Dominique Lochridge-

Gonzales states "Through our work, we assist veterans with issues such as obtaining access to benefits to which they are entitled, securing and maintaining housing, and establishing time-sharing with their children." As an example, Lochridge-Gonzales assisted a veteran who had been homeless with his two young sons for five years. He was able to obtain housing in the school district that was best for his sons, acquired his driver's license which he had not had for twenty-three years, and secured a Veterans Affairs Pension which resulted in his monthly income more than doubling.

In another example, our advocate assisted a homeless veteran with untreated mental health issues by gathering his medical records and applying for disability benefits. With our representation, he now receives Social

Continued on page 11

Three Rivers Legal Services, Inc. wishes to express our gratitude to the family of attorney Jimmy Feiber Jr and to Salter Feiber PA for suggesting that donations be made to Three Rivers in his memory. Your graciousness and generosity are a reflection of his and we are honored by your actions.

Invitation to Renew / Join the 2015-16 EJCBA

The Eighth Judicial Circuit Bar Association (EJCBA) cordially invites you to either renew your membership or join the EJCBA as a new member.

To join, please visit: http://8jcba.dev.acceleration.net/pay-dues/ to pay online or return the below application, along with payment, to the EJCBA at PO Box 13924, Gainesville, FL 32604. The EJCBA is a voluntary association open to any Florida Bar member who lives in or regularly practices in Alachua, Baker, Bradford, Gilchrist, Levy or Union counties.

Remember, only current EJCBA members can access a printable version of the complete member directory, edit their own information online, post photos and a website link, and be listed on results for searches by areas of practice. Additionally, our Forum 8 Newsletter, event invitations, and updates are all sent electronically, so please ensure we have your current email address on file and add <a href="mailto:executive@execu

EJCBA Membership Dues:

Free - If, as of July 1, 2015, you are an attorney in your first year licensed to practice law following law school graduation.

\$55.00 - If, as of July 1, 2015, you are an attorney licensed to practice law for five (5) years or less following graduation from law school;

OI

If, as of July 1, 2015, you are a public service attorney licensed to practice law for less than ten (10) years following graduation from law school. A "public service attorney" is defined as an attorney employed as an Assistant State Attorney, or an Assistant Public Defender, or a full-time staff attorney with a legal aid or community legal services organization; or you are a Retired Member of the Florida Bar pursuant to Florida Bar Rule 1-3.5 (or any successor Rule), who resides within the Eighth Judicial Circuit.

\$75.00 - All other attorneys and judiciary.

Optional – YLD Membership Dues (in addition to your EJCBA dues above):

\$25.00 - EJCBA Young Lawyers Division

(eligible if, as of July 1, 2015, you are an attorney under age 36 or a new Florida Bar member licensed to practice law for five (5) years or less)

* EJCBA voting membership is limited to Florida Bar members in good standing who reside or regularly practice law within the Eighth Judicial Circuit of Florida. EJCBA non-voting membership is limited to active and inactive members in good standing of the bar of any state or country who resides in the Eighth Judicial Circuit of Florida, and to UF College of Law faculty.

EJCBA Renewal/Application for Membership

Membership Year: 2015-2016

Check one: Renewal New Membership
First Name: MI:
Last Name:
Firm Name:
Title:
Street Address:
City, State, Zip:
Eighth Judicial Circuit Bar Association, Inc.
Telephone No: (
Fax No: (
Email Address:
Bar Number:
List two (2) Areas of Practice:
Number of years in practice:
Are you interested in working on an EJCBA
Committee?YesNo

Security disability benefits, has an apartment, furniture, medical care and has now even become engaged.

Since 2014, Three Rivers has assisted more than 500 veterans and their families in legal issues ranging from preventing eviction to modifications of child support. from housing habitability issues to problems with VA. Social Security and other public benefits.

"It is incredibly rewarding and exciting to provide a helping hand up to someone who is caught in a bad situation and to provide access to opportunities that persons may not have known existed," stated LochridgeGonzales. "Working with veterans at Three Rivers Legal Services is a privilege and a joy."

James LeMieux, staff attorney in our Jacksonville office, serves as Vice-Chair of the Florida Bar Standing Committee on Veterans Affairs.

As with all of the civil legal services provided by Three Rivers, there is far more work than can be accomplished by our staff and resources. If you would like to provide volunteer assistance or support our veterans project, please email me at marcia.green@ trls.org.

September 2015 Calendar

- EJCBA Board of Directors Meeting, Rm. 285D, UF Law School, 5:30 p.m.
- 4 Deadline for submission to October Forum 8
- 5 UF Football v. New Mexico State Aggies, 7:30 p.m.
- 7 Labor Day Holiday - County and Federal Courthouses closed
- 9 Probate Section Meeting, 4:30 p.m., 4th Floor Meeting Room of the Alachua County Family/Civil Justice Center
- 11 Ask A Lawyer, 9:00 a.m. - 1:00 p.m.
- UF Football v. East Carolina Pirates, 7:00 p.m. 12
- Rosh Hashanah Holiday County Courthouses closed 14
- 15 Family Law Section Meeting, 4:00 p.m., Chief Judge's Conference Room, Alachua County Family & Civil Justice Center
- 18 EJCBA Luncheon, "School-to-Prison Pipeline," Dr. Owen Roberts, Alachua County Superintendent of Schools, The Wooly, 11:45 a.m.
- UF Football at Kentucky Wildcats, 7:30 p.m. 19
- Law in the Library Reverse Mortgages & Foreclosure: What Seniors Need to Know, 6 p.m., Headquarters Library 21
- 23 Yom Kippur - County Courthouses closed
- UF Football v. Tennessee Volunteers, TBA 26

October 2015 Calendar

- Law in the Library Restoration of Civil Rights Workshop, 5:30-7 p.m., Library Partnership, 1130 NE 16th Avenue.
- "Trial Skills: Practice and Protocol" CLE, 2-5 p.m., Alachua County Family/Civil Justice Center
- EJCBA Social Cymplify, 5-8:30 p.m.
- 2 2 3 UF Football v. Ole Miss Rebels, TBA
- 5 7 Deadline for submission to November Forum 8
- EJCBA Board of Directors Meeting, Rm. 285D, UF Law School, 5:30 p.m.
- 8 Florida Constitution Revision Committee Symposium (CLE) at UF Law, 4:00 p.m.
- 9
- EJCBA Luncheon, Speaker TBD, The Wooly, 11:45 a.m.

 Trial Skills: Practice and Protocol" CLE, 2-5 p.m., Alachua County Family/Civil Justice Center 9
- 10 UF Football at Missouri Tigers, TBA
- Columbus Day Holiday Federal Courthouse closed 12
- Probate Section Meeting, 4:30 p.m., 4th Floor Meeting Room of the Alachua County Family/Civil Justice Center 14
- Trial Skills: Practice and Protocol" CLE, 2-5 p.m., Alachua County Family/Civil Justice Center 16
- UF Football at LSU Tigers, TBA 17
- Family Law Section Meeting, 4:00 p.m., Chief Judge's Conference Room, Alachua County Family & Civil Justice 20
- 23 Clock Dedication Ceremony in Memory of The Honorable David A. Glant, 12:15 p.m., Alachua County Criminal Justice Center, 1st Floor Foyer
- 23 Trial Skills: Practice and Protocol" CLE, 2-5 p.m., Alachua County Family/Civil Justice Center
- 31 UF Football v. Georgia Bulldogs (Jacksonville), 3:30 p.m.

Have an event coming up? Does your section or association hold monthly meetings? If so, please fax or email your meeting schedule to let us know the particulars, so we can include it in the monthly calendar. Please let us know (quickly) the name of your group, the date and day (i.e. last Wednesday of the month), time and location of the meeting. Email to Dawn Vallejos-Nichols at dvallejos-nichols@avera.com.

September 2015