



## ETS ADVANTAGE DUE DILIGENCE

ENGINEERED TAX SERVICES IS THE PREEMINENT NATIONAL LEADER IN ENGINEERING BASED TAX ADVISORY SERVICES FOR THE CPA AND DESIGN COMMUNITIES, REAL ESTATE INVESTORS AND BUSINESSES ACROSS THE U.S.

Engineered Tax Services

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Locations: Palm Beach (Headquarters) Austin · Boston · Charlotte · Chicago · Cleveland · Denver · Detroit · Houston · Los Angeles · Manhattan · Miami · Orlando · Phoenix · Salt Lake City · San Diego · San Francisco · Seattle · St. Louis · Tampa



## Our Mission



Engineered Tax Services (ETS) was founded by Julio P. Gonzalez. Julio saw the need for a company that could provide services to CPA firms, business owners, and commercial property owners to utilize specialty tax incentives previously available only to Big 4 accounting firms and top 100 corporations. His vision encompassed a way to allow clients the utilization of tax incentives that could increase cash flow, expand service offerings, retain competitive advantage, and provide all of these consultative services under one roof.

Julio's vision was to create a company that provided a valuable service both to its clients and surrounding communities. ETS is one of the only nationally licensed engineering firms providing a broad range of engineering based services across all 50 states – to the top 100 firms, as well as, small “mom-and-pop” businesses. ETS has over 100 employees dedicated to this industry and is currently completing hundreds of studies each month for firms across the country.





#### THINGS TO CONSIDER...

- PROFESSIONAL LICENSES.
- CIRCULAR 230 COMPLIANCE.
- EVALUATE THE ENGAGEMENT TEAM.
- EVALUATE THE FIRM'S CREDENTIALS.
- WHAT IS THE FIRM'S TRACK RECORD?
- ENSURE COMPLIANT FEE STRUCTURE.
- ARE YOU CONFIDENT IN THE TEAM?
- IS IRS AUDIT SUPPORT PROVIDED?
- ASK FOR CLIENT REFERENCES.
- REQUEST A SAMPLE STUDY.

## Due Diligence in Selecting a Specialty Tax Provider

The selection of a specialty tax provider for Energy Tax Incentives, Cost Segregation, Repairs vs. Capitalization, Research & Development and other tax incentives is critical to the process, the resulting benefit, and to ensure results that stand-up upon IRS examination. Performing the proper due diligence steps is vital to ensuring your tax filing position and to ensure that you gain every benefit that you deserve with the assurance of IRS compliance. Consider the items listed on the left to look for a company with a long history of IRS compliance experience in your area

## We marry the science with the principles of

#### WHY ENGINEERED TAX SERVICES?

Engineered Tax Services (ETS) is a licensed engineering firm with extensive experience in engineered based specialty tax services spanning the U.S., and yielding substantial tax incentives for companies of all sizes. ETS is one of the only qualified professional engineering firms with its own Professional Engineers, LEED Accredited Professionals, Certified Public Accountants, Licensed Contractors, and Architects on staff.

- Over 100+ years of combined experience
- Fully Circular 230 compliant
- Experience from Fortune 100 companies on down
- Broad service offerings to maximize client ROI
- Completing over 200 engineering studies monthly

#### SUPPORT UNDER IRS AUDIT

ETS is committed to providing the highest level of service and attention to detail in order to realize maximum benefits and ensure compliance of IRS guidelines. In the event of an IRS review, ETS will continue this commitment by providing requested information, work papers, and any additional support requested. This attention to detail and tax regulation is reflected in ETS' superior record under IRS review.

both geographically and professionally, as well as a strong reputation for customer satisfaction. Request proof of licenses and insurance for the firm you are considering, as well as the individual team members who will be working on your project. Request references from previous clients and take the time to contact them regarding their experience with the firm and any problems that may have arisen through the process. This will offer significant insight into the integrity of the firm that you choose.

## of engineering tax & accounting

#### WHAT SETS ETS APART?

Since the inception of ETS, with a team of in-house engineers and accountants, ETS averages on a monthly basis over \$44 million in refunds for clients, equating to hundreds of specialty tax studies for Fortune 500 clients and CPA firms nationally. ETS' reports meet the strict guidelines of the Internal Revenue Service (IRS) giving clarity to the engineering processes involved in the studies of private buildings and to also bringing awareness to specialty tax benefits on a nationwide scale.

- Studies are performed according to IRS MACRS method under the Tax Reform Act of 1986 (P. L. 99-514).
- In the absence of plans, ETS implements §1245 and §1250 to segregate specific property types.
- In accordance with current IRS Audit Technique Guidelines.
- Properties are evaluated by professional/licensed engineers who have completed thousands of engineering-based tax studies.



#### ADDITIONAL BENEFITS

Our unique approach to Cost Segregation studies builds in additional benefits for each client. These benefits include:

- Detailed Depreciation Schedules -
- Reduced Insurance Premiums -
- FORM 3115 Completion -
- Repair & Maintenance -
- Energy Incentives -
- Land Allocation -
- Abandonment -



#### ETS SERVICES

ETS' services include Cost Segregation Studies, Energy Tax Certification, Repair & Maintenance, Research & Development and Historical Tax Credits as well as Abandonment Studies, Insurance Appraisals, Reserve Studies and Pre-Construction Tax Planning.



#### CPA FIRM BENEFITS

Our CPA partnership program is aimed at our combined success. We aim to provide methods to increase your cash flow, grow your client base, retain current clients, and ensure your competitive advantage in the marketplace. We do this through providing you with the best account executives and project managers in the industry to advise you on the best products for each client and project.



#### ADDITIONAL ENERGY SERVICES:

- 1603 - Alternative Energy Cash Grants
  - Benchmarking
  - Local Utility Rebate Certifications
  - 45L Energy Tax Credits
  - Renewable Electricity Production Tax Credit (PTC)
  - Federal Tribal Energy Program
  - U.S. Department of Treasury - Renewable Energy Grants
  - High Energy Cost Grant Program
  - USDA - REAP Grants
  - Federal Loan Program - CREBs
  - Qualified Energy Conservation Bonds (QECBs)
- #### LICENSES & CERTIFICATIONS
- Licensed Professionals in all 50 States
  - Engineering License: FL #27824
  - Engineering License: TX #F-12634
  - South Florida Minority Supplier Council: #FL02051
  - National Minority Business Council: #21260
  - American Institute of Architects
  - National Society Professional Engineers
  - NASBA CPE Approved Education Provider

## Energy Tax Incentives

### FEDERAL, STATE, LOCAL & UTILITY PROGRAMS NATIONWIDE

ETS can provide a full range of energy related incentives and analysis, including 179D EAct, 45L, utility rebates and refunds, energy audits, modeling and LEED certification. ETS is fully Circular 230 compliant, with over 100 years combined experience in energy modeling.

Since the inception of the Energy Policy Act of 2005, ETS has performed over ten thousand 179D EAct and 45L reports to secure substantial benefits for property owners and public project developers. EAct's \$1.80/square foot deduction can be applied to private property owners for retrofits or new construction projects completed between 2006 and the end of 2013. This deduction of \$1.80 per square foot can also be allocated to the designers of any public project. This allocation has

made the difference between many design firm's livelihood vs demise in recent years. 45L is a \$2,000 per unit tax credit for multi-family developers. These types of incentives are often left on the table for eligible taxpayers. On the 'demand side,' ETS has consulted on more than 110 million square feet of building space across North America. From lighting to mechanical to evaluation of potential for renewable energy such as solar and wind, ETS is an independent, third-party evaluation and implementation firm whose focus is on the client's energy savings. ETS' initial focus is on assisting clients in navigating the increasingly complex energy and tax world by delivering customized energy-management solutions for both energy procurement and energy conservation/efficiency.

## Energy Tax Deduction: \$240,000

LOCATION	SQ. FT.	TAX BENEFIT
Boca Village, FL		
Envelope	106,957 sq. ft.	\$64,174
Lighting (including parking garage)	220,220 sq. ft.	\$132,132
HVAC	106,957 sq. ft.	\$64,174
<b>Total Building Cost</b>		<b>\$260,480</b>

Although EAct has expired and we await a decision on its extension, renovation or new construction projects completed between January 2006 and December of 2013, remain eligible and qualifying standards are surprisingly low.

Don't miss out on the opportunity for additional write-offs and a better return on investment from recent projects!

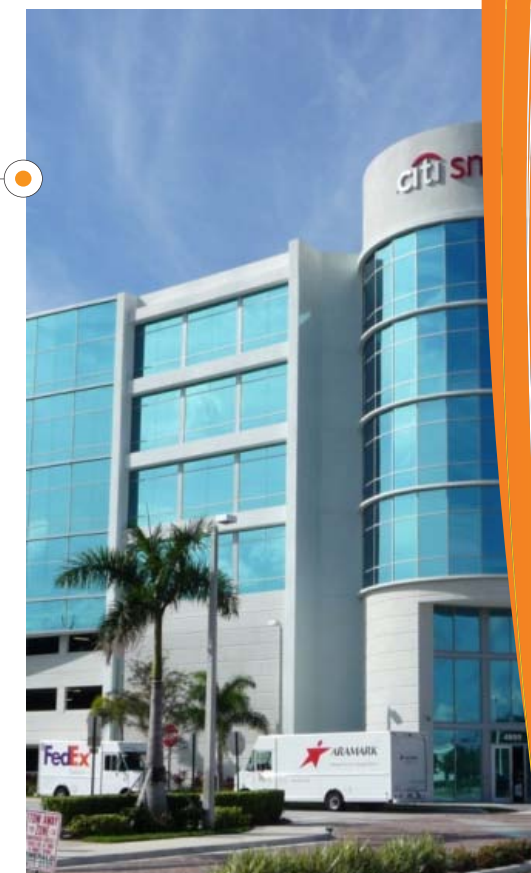
#### COMPLETED PROJECTS:

LOCATION	BUILDING TYPE	SQUARE FOOTAGE	TOTAL BENEFIT
• Salt Lake City, UT	• School	• 250,727 sq. ft.	• \$451,308
• Temecula, CA	• Parking Garage	• 135,380 sq. ft.	• \$81,228
• Gainesville, FL	• Hotel	• 66,328 sq. ft.	• \$119,390
• Princeton, MN	• Manufacturing	• 30,280 sq. ft.	• \$54,504
• Johnston, IA	• Military	• 212,978 sq. ft.	• \$152,250
• Phoenix, AZ	• Community Center	• 37,272 sq. ft.	• \$22,363
• Vancouver, WA	• Food Warehouse	• 148,525 sq. ft.	• \$139,613
• Ada, MI	• Warehouse	• 628,824 sq. ft.	• \$377,294
• Orlando, FL	• Hotel	• 1,193,819 sq. ft.	• \$1,131,200



#### In-House Experts Are Disciplined In:

- STRUCTURAL ENGINEERING
- MECHANICAL ENGINEERING
- ELECTRICAL ENGINEERING
- ALL FACETS OF MODELING







## Cost Segregation Experience



Project: Apartment Complex  
Cost: \$18,100,000  
5 Year Tax Savings: \$1,585,222



Project: High-End Office Building  
Cost: \$5,234,125  
5 Year Tax Savings: \$625,678

## 5-Year Cash Benefit: \$7,857,148.00

### COMBINED STUDY FOR SHOPPING COMPLEX

COMBINED STUDY HIGHLIGHTS	BENEFIT
Cost Segregation 1st Year Cash Benefit	\$3,335,777
Cost Segregation 5-yr Accumulated Cash Benefit	\$7,492,148
179D/EPAct Deduction for Lighting Retrofit (\$0.60/sf)	\$240,000
Abandonment Deduction – Removal of Existing System	\$125,000
5-Yr Combined Cash Benefit with CS, 179D, & Abandonment	\$7,857,148

### UNMATCHED EXPERTISE

- STUDIES COMPLETED NATIONALLY.
- EXPERIENCE WITH ANY BUILDING.
- REFERENCES FROM ACROSS THE US.
- THE BEST TEAM IN THE INDUSTRY.
- SOUND BUSINESS PRACTICES.
- PROJECTS OF ANY SIZE RANGE.
- THE BEST PROJECT MANAGERS.
- EDUCATION ON SPECIALTY TAX OPPS.
- THE HIGHEST BENEFIT POSSIBLE.
- WE VALUE OUR CLIENTS!

### QUALITY OF OUR PREMIUM COST SEG STUDIES

ETS takes the marriage of accounting and engineering very seriously and has built ETS on that foundation. In addition to our licensed engineers, we have a tax experts on staff who worked with the IRS for 32 years and performed tax controversy work for Deloitte for several years.

### OUR FEES ARE VERY COMPETITIVE

Firms without tax experts to consult and collaborate on engineering studies raise red flags with the IRS because it reflects a lack of expertise in cost estimation. ETS provides a guarantee on our reports. Backed up by a strong diligence, expertise, and licensing, ETS is able to insure their reports with Lloyds of London for up to \$3,000,000 per report. ETS is also able to get more mileage out of each report in terms of energy and insurance benefits.

### COMPLETED PROJECTS:

LOCATION	PROJECT TYPE	SQ. FT.	BUILDING TYPE	TOTAL BENEFIT
• Salt Lake City, UT	• Renovation	• 350,000 sq. ft.	• Medical Manufacturing	• \$5,300,000 1st yr
• Sacramento, CA	• New Construction	• 76,000 sq. ft.	• Auto Dealership	• \$756,076 5 yr
• Miami, FL	• Renovation	• 35,000 sq. ft.	• Retail	• \$279,376 5 yr
• FL & WY	• Retrofit/Abandonment	• 425,000 sq. ft.	• Hotel/Resort	• \$5,455,302 1st yr
• Louisville, KY	• Renovation	• 25,000 sq. ft.	• Restaurant	• \$101,158 1st yr
• Springfield, IL	• New Construction	• 87,500 sq. ft.	• Warehouse	• \$523,597 1st yr
• New York, NY	• Renovation	• 95,750 sq. ft.	• Office/Mixed Use	• \$988,238 1st yr
• Boston, MA	• New Construction	• 232,000 sq. ft.	• Student Housing	• \$3,819,812 1st yr
• 33 Locations Nationwide	• New Construction/Retrofit	• 278,000 sq. ft.	• Restaurant Chain	• \$13,182,445 5 yr



### CUSTOMER TESTIMONIALS

What our clients are saying:

"You and your team did a tremendous job for us in terms of providing cost segregation and energy tax services. The tax benefits for us nationally were impressive as were your services."

Fredrick Miller  
IKEA

"I have personally referred over 60 contacts to ETS for cost segregation studies and will continue to send referrals. The ETS professionals are competent, service-oriented, and most of all, provide cost savings to our clients. By having a reliable source to handle these kinds of engagements, we have essentially increased our firm's value-added service offerings. That is the truest definition of a strategic partnership."

Michael I. Daszkal, CPA  
Managing Partner  
Daszkal Bolton LLP

"Engineered Tax Services has been a very valuable engineering resource to our firm over the past decade. We find their firm the only licensed engineering firm to be uniquely qualified to handle the complex issues regarding cost segregation, 263(a), 179D and repair and maintenance. We did our due diligence and the results speak for themselves as Engineered Tax Services is the dominant engineering resource to the CPA community."

Goldstein Schecter Kosh



Ask About Our Other  
Specialty Tax Services:

- CONSTRUCTION TAX PLANNING
- ABANDONMENT/DISPOSITION
- IC-DISC
- HISTORIC & NEW MARKET TAX CREDITS
- SALES TAX CREDITS
- TAX CONTROVERSY STUDIES
- DEIRA
- FIXED ASSET REVIEW
- DPAD



## Repairs vs. Capitalization Study

ETS brings clarity and awareness to the preferred method of depreciation and capitalization of repair & maintenance items of a property’s building systems and the proper handling of assets after renovation or retrofit.

- ETS recognizes routine incidental repairs and maintenance for property operating conditions and the financial benefit of reallocating these expenses.
- ETS clearly understands how the Tangible Property Regs impact Real Estate owners and the necessity for detailed Cost Segregation for compliance and Building System allocation.
- ETS’ team of experts understand the application of newly issued definitions for repairs & maintenance, routine maintenance and building improvements to properly document and treat recent expenditures. This provides compliance with these taxpayer favorable regulations.

TOTAL SAVINGS  
**\$3,858,662**



- Roof Repair: \$10,000
- Mis-Capitalized R&M Expenditures: \$3,134,215
- Repairs & Maintenance for 1 year: \$696,267
- Abandonment/Disposition: \$28,180

## Research & Development Study

STUDY HIGHLIGHTS (year end 2013)	
Wages	\$2,360,536
Contract Research 65%	\$ 130,896
Total Qualified Research Expenses:	\$2,491,432

TOTAL 1ST YEAR BENEFIT	
Federal Credit	\$133,229
State Credit	\$246,870
Total Current Year R&D Credit Amount	\$380,099

### OUR R&D STUDIES DIG DEEP

ETS’ studies dig much deeper into the fundamentals of your business activities – incorporating operations, engineering, financial and tax expertise that results in more credits and meticulous documentation that is necessary to support your activities, costs, and credits. There is a direct correlation between the amount of your defensible credit and the expertise of the advisor performing the tax credit study.

### COMPLIMENTARY NO-RISK ASSESSMENT

ETS performs a no-risk assessment first. There is no charge if a meaningful benefit does not exist for you. Your team’s time commitment is typically less than 12 hours for the assessment and no more than 30 hours for the completed study. No one individual team member should have to spend more than an hour total during the process.



### CUSTOMER TESTIMONIALS

A few words from our clients

I believe Engineered Tax Services exhibits many of the qualities that are essential to CPA firms looking to assist their clients in these specialty tax services. I have no problem ever putting them in front of my clients. I highly recommend them.”

Lou J. Fuoco, CPA  
Managing Director  
Fuoco Group, LLP

### IRS AUDIT TESTIMONIAL

This is the best outcome that I could have imagined. My compliments to you and the entire team for the efforts made on our behalf. I would like to believe all of this team’s efforts to apply pressure to the auditor and his supervisor did have the desired positive (softening) affect. We acted with honesty and integrity to utilize a program that, in our view, was designed to provide us with incentives that were authored by Congress. I am glad it worked out as we all hoped. We greatly appreciate the support that came from ETS. I know I speak for all our shareholders here at Darden when I say we will not forget ETS’ total commitment of resources, and the “whatever it’s going to take” attitude they exhibited during this audit defense. My confidence in the 179D program is restored, and we will see what we have done that will qualify for 179D deductions among our projects completed in 2011.

Marty Dietz  
Darden Architects



# OUR TEAM OF EXPERTS



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## Executive Board

### JULIO GONZALEZ: CEO

Julio Gonzalez founded Engineered Tax Services (ETS) to marry the science of architecture and engineering with the principles of tax and accounting to preserve wealth through engineering technical applications of the IRS tax code. These IRS sanctioned engineering services include Cost Segregation Studies, 168 Disposition Studies, 263(a) Repair & Capitalization Studies, 162 Expense Maintenance Studies, Fixed Asset Retirement Studies, Reserve Studies and 179D Energy Tax Studies (Federal & State) and Engineering Insurance Appraisals. ETS is a nationally licensed engineering firm which is headquartered in West Palm Beach, Florida with 16 offices nationwide and over 140 employees and consultants. ETS works with many of the top 1,000 CPA firms, the largest real estate organizations, prominent real estate families and Fortune 500 companies nationwide. Mr. Gonzalez is a pioneer in the real estate engineering taxation field and devoted to the conservation and preservation of real estate investor wealth.

Board Member of Cystic Fibrosis • Engineered Tax Services, National Minority Certified Company • President's Council of The Real Estate Roundtable • Board Member, Gentlemen of Palm Beach • Miami Dolphins Executive Board • Orange Bowl Executive Committee • NROADS, Member • Board of Family Office Association • Board of Family Office Exchange

### MICHAEL F. D'ONOFRIO: MANAGING DIRECTOR

Michael obtained his MBA from Nova Southeastern University's Huizenga Graduate School of Business and Entrepreneurship in Ft. Lauderdale, FL after completing his undergraduate studies at John Carroll University in Cleveland, OH. Michael brings his skills to the table for each and every client in order to identify opportunities for ETS clients through expanded niche services, strategic partnerships and energy, fixed asset, finance and tax expertise.

### KIMBERLY MERRILL: SENIOR VP

Kimberly possesses a powerful combination of real-world business management skills, a fundamental understanding and practical application of tax code as well as detailed knowledge of the energy efficiency products industry. This experience has uniquely positioned her as a big-league tax expert for many Fortune 500 companies, architects, and CPAs.

### HEIDI HENDERSON: VP OF MARKETING

Heidi has years of accounting experience relating to commercial real estate, finance, and development. She now manages the Marketing & Advertising for ETS, technical content, continuing education courses and project management for clients across the country.

## Engineers

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### JOSE PUIG: P.E.

Jose Puig Jr. has been a practicing professional MEP engineer for the last 25 years. He has performed hundreds of studies for ETS in locations ranging from Hawaii, Alaska, Florida and everywhere in between.

### DAN ROWE: P.E.

Dan has approximately fifteen years in all areas of engineering based tax advisory studies. His expertise and technical knowledge of commercial buildings, systems & energy are unmatched in the industry.

### ROBERT SCHULTZ: SENIOR PROJECT MANAGER

Rob has been with ETS providing excellent customer service and the most accurate cost segregation reports for over 8 years. He brings the highest level of expertise and understanding of cost segregation and componentization for all types of buildings across the U.S. He is a true subject matter expert!

### ROBERT CHEPELA: VP OF ENGINEERING

Rob has a degree in Construction Engineering/Management and has progressively established a successful work history in cost segregation. Rob has conducted hundreds of cost segregation studies for new buildings, existing buildings undergoing renovations/restoration/remodel, and leasehold improvement.

## Attorneys

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### KREIG MITCHELL: ESQ.

Kreig is a tax attorney with a broad and deep experience with all aspects of federal and state research tax credits and incentives. He is a noted expert in tax controversy matters and serves as an education and practice leader pertaining to IRS case law. Krieg has worked as an attorney and appeals officer for the IRS and has participated in the research tax credit round-table, used by the IRS to evaluate the audit process for those credits.

## CPAs & Tax Experts


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### RICH SCHOONOVER: CPA

Richard Schoonover is a project manager for ETS, specializing in Research and Development tax certification. Rich has performed and reviewed thousands of studies and has over 20 years accounting and tax experience including serving as an R&D Project Manager at Tax Projects Group. His background also includes public accounting experience with firms including Coopers & Lybrand and Hausser & Taylor.

### PETER SCALISE: MBA, MST

Peter serves as the federal tax practice leader. He is a renowned speaker and published author on tax technicalities with over twenty years of public accounting experience developing and leading multi-million dollar tax consulting practices on both a regional and national level for the global Big 4 CPA firms.



*As a professionally licensed engineering firm, ETS has a roster of licensed engineers, tax accountants, and legal experts. Together they bring engineering, tax, and legal authority to the maximum standards required by the IRS.*