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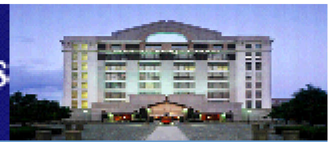

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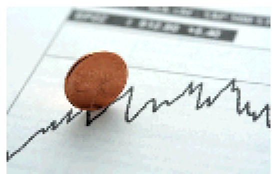
Personal Client Services Newsletter

> "As with many 'bargains' and 'sales' offers in life, the buyer—and investor—should beware the small print and tax consequences."

Caveat Investor

At the end of 2009, investment managers and brokerage firms began reaching out to clients and touting the news that investors may now be able to roll-over their traditional IRA's into Roth IRA's. The much-heralded opportunity is showcased by these investment firms as a way to provide tax-free inheritances to investors' heirs, with no minimum distribution requirements for the account owner during his or her lifetime. Oh, there is a small phrase cushioned between all this information, mentioning that this conversion may have tax consequences, but the big news is the opportunity to have a Roth IRA if you have never had one before!



Our advice? Investor beware! The most immediate impact of rolling over a traditional IRA into a Roth will be a realization of income on the appreciated value of the traditional IRA. This means you will have taxable income from this event – something you will have to pay for in the near term, which could outweigh the benefits of that tax-free inheritance to your heirs down the road….

Here are some highlights of how it works: Traditionally, anyone making more than $105,000 was not allowed to open a Roth IRA. Starting in 2010, that income threshold has been eliminated for rollovers from a traditional IRA. The income limits for contributions remain.

The benefits of a Roth IRA are that withdrawals are generally tax free five years after the initial contribution or roll-over, provided that the account owner is over 59 ½ years old or the owner uses the distribution for "qualified first-time home-buyer expenses." Additionally, there is no mandatory distribution requirement once the owner is 70 ½ years old, so owners can allow savings to remain and grow until needed or passed on to heirs.

The burden is that any income realized in converting the assets from a traditional IRA to the Roth gives rise to income tax on that income. As a one-time, "special offer' incentive, though, the conversion rules allow a taxpayer converting and realizing any income in 2010 to spread the realized income over 2011 and 2012 for income tax purposes.

As with many "bargains" and "sales" offers in life, the buyer – and investor – should beware the small print and tax consequences. For many individuals, staying the course in their traditional IRA's may still be the best bet. For further information, please feel free to consult with one of the attorneys in our Personal Client Services group.

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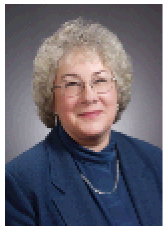
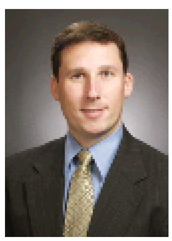
PERSONAL CLIENT SERVICES



Valerie Swett is principal of the private client services group and works extensively with the municipal group. Ms. Swett works with a wide range of transactional and personal services matters, including trust administration; negotiation, drafting contracts, and closing transactions; and review and resolution of title and title related matters, such as boundary disputes. She is licensed to practice law in Illinois as well as Massachusetts.

Liza M. Connelly is an associate specializing in Estate Planning. Ms. Connelly has drafted estate planning documents and worked on tax matters for a variety of clients including non-U.S. citizens.



Lou Ross is a senior associate concentrating his practice on municipal law and real estate matters. Mr. Ross' real estate practice focuses on the financing, sale, acquisition, development, construction and leasing of commercial and residential real estate, including office buildings, hotels, shopping centers and condominium projects.

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