# How to Exchange Your Way to Tax-Deferred Real Estate Wealth

## A special report from Real Estate Expert Bob Bruss



#02341

In the last few years there have been several new "buy and flip" real estate investment books. Many of the so-called real estate **"**gurus**"** teach weekend "boot camps" for $5,000 or more on "flipping" properties for quick profits. Yes, it's fun to buy a tired, run-down property, such as a rental house, apartment building, or shopping center, fix it up, and then sell it for a huge obscene profit. But the "non-fun" part of flipping property is paying the capital gains tax on the resale profit.

A better alternative, instead of flipping a fixer-upper investment or business property after it's fixed up, and paying profit tax, is to instead make a tax-deferred exchange for another fixer-upper property. Then do it all over again, but without any tax erosion of your profits.

EXAMPLE: Suppose you "buy and flip" a fix-up property, selling it for exactly a $100,000 capital gain. Presuming you held the property over 12 months, your federal tax rate will be 20%. That's $20,000 of *your* profit going to your tax partner, Uncle Sam. Now you only have $80,000 left to invest in your next fix-up property. Instead, if you make a tax-deferred exchange for another investment or business property, also with profit potential, you'll have your full $100,000 profit available for the down payment to acquire that property instead of just $80,000.

There is no limit to the number of times — or the frequency — you can buy investment or business real estate and trade up for another qualifying property without owing any profit tax. *It's the ultimate secret way to acquire tax-deferred wealth.* Just between us friends, if you want to play a dirty trick on your Uncle Sam, after you have exchanged your way to vast real estate wealth without owing him any profit tax along the way, when you're about 120 years old, you die! *He'll be really steamed!*

The reason is Uncle Sam will *never* collect any capital 2ains tax from you because you acquired your hu2e tax-deferred real estate wealth and then you used the ultimate tax shelter of all — death! If you can wait until 2010 to die, under current federal estate tax law, regardless of the size of your estate, it will owe zero estate tax because the estate tax is repealed for the year 2010. However, if you die in 2002 or 2003, only up to $1 million of your net estate is exempt from federal estate tax! But it looks like the new Congress may completely repeal the estate tax after 2010. Let your Senators and Congresspersons know if you want the federal estate tax permanently repealed after 2010. Otherwise, it reverts in 2011 to its current status of just a $1 million federal estate tax exemption.

WHAT IS A TAX-DEFERRED EXCHANGE? The tax theory of a tax-deferred exchange is it is one continuous investment, therefore no tax is owed on the profit from the sale of the first qualifying property which is then reinvested into the second qualifying property. Tax-deferred exchanges have been in the Internal Revenue Code since 1921. Exchanges are not new!

However, if you talk with some CPAs and attorneys, you'll quickly learn they have never helped their clients with tax-deferred exchanges so you might have to shop for tax advice, especially in states east of the Mississippi River. New York State, for some strange reason, has practically zero real estate attorneys and CPAs familiar with

the benefits of tax-deferred exchanges. But in the western states virtually every real estate attorney knows how to arrange tax-deferred exchanges.

The basic exchange idea is a real estate investor or business owner shouldn't be taxed when selling one property held for investment or use in a trade or business and acquiring another such "like kind" property. But exchanges aren't just for "mom and pop" investors. Even big businesses do tax-deferred exchanges to avoid taxes when selling one property and acquiring another.

EXAMPLE: Several years ago, newsletter subscriber Elaine Murphy invited me to lunch with a real estate representative of what was then Chevron Oil Company (today, it's Chevron Texaco). Elaine was a title officer with Stewart Title, specializing in tax-deferred exchanges. She was the best title officer I've ever worked with she even handled my little transactions! Today, she's in the "big time" in Minneapolis with a title company working on multi-zillion dollar commercial transactions. But I digress. At the luncheon, the Chevron Oil representative told us about a transaction he was working on. I presume Elaine handled the title work. It involved the sale of a Chevron gas station across from Disneyland in Anaheim, plus some adjoining land. But Chevron didn't want to make a simple sale and pay a big tax on its huge profit. Chevron planned a Starker tax-deferred exchange for acquiring another property so it wouldn't owe any capital gains tax on the very profitable sale of its gas station. If Starker tax-deferred exchanges are used by big businesses like Chevron, they should be good enough for us too.

The simple rules of a tax-deferred Internal Revenue Code § 1031 exchange are the investor or business property owner must make a trade of one (or more) "like kind" property for one (or more) such property of equal or greater value and of equal or greater equity. Any cash (called "boot") taken out of the exchange is taxable to the trader. *But the number of properties involved in the exchange is irrelevant.*

What matters are (a) the total price of the old property held for investment or use in a trade or business *(sorry, your personal residence cannot qualify for a tax-deferred exchange)* and the total price of the new property being acquired, and (b) the mortgage balance(s) on the acquired property cannot be less than the mortgage balance on the old property. In other words, a gua1ifying exchange must be equal or up in both price and equity, *If you owe less on the acquired property than on the old property, you received taxable unlike kind "boot" such as cash or net mortgage relief* Taxable boot takes the fun out of exchanges and should be avoided unless you enjoy paying taxes.

STARKER "DELAYED" TAX-DEFERRED EXCHANGES BECOME EASIER EVERY DAY. As long-time subscribers know, when I did my first tax-deferred exchange of a three-unit San Francisco building for a nine-unit apartment building, the pre-1984 tax law required simultaneous exchanges of one 'like kind" property for another qualifying such property of equal or greater cost and equity. A direct exchange, followed by a "cash out sale" to a waiting third-party buyer for the smaller property, was far better than paying profit tax. But that trade was much more complicated than today's simple Starker exchanges.

Today's Starker "delayed" tax-deferred exchanges are far easier than direct simultaneous exchanges, like my first trade. In the example above, Chevron did a Starker "delayed" exchange of its Disneyland gas station for another property. *There is no longer any necessity to do a direct simultaneous exchange (unless the parties happen to want to trade for each other's properties).* Chances of that happening are very rare. Here's the story of the first Starker exchange:

EXAMPLE: Back in the 1970s, T.J. Starker owned some Oregon timberland. CrownZellerbach Corporation wanted to buy Starker's land. However, if he sold, he would owe a huge capital gains tax. So he (or his lawyer) created an exchange agreement. Starker deeded his land to C-Z which then credited Starker with the sales price, plus a 6% "growth factor" until he could find suitable replacement "like kind" property to complete what he thought would be a tax-deferred exchange. Guess what? Although Starker reinvested his sales proceeds, plus the growth factor, into such property, the IRS audited Starker and said his so-called exchange didn't qualify for tax deferral because it wasn't a direct exchange. Starker paid the disputed tax (to stop interest from accruing) and then sued the IRS in U.S. District Court for a refund. He won. But the IRS appealed to the Ninth Circuit Court of Appeals. Again, Starker won. Thanks to T.J. Starker's persistence, we now have tax-deferred "delayed"

exchanges in Internal Revenue Code §1031(a)(3) which was enacted in 1984. You can read this fascinating 1979 tax case at 602 Fed.2d 1341.

WHY EXCHANGE INSTREAD OF SELLING YOUR INVESTMENT OR BUISNESS PROPERTY? Although tax avoidance is the primary reason for Internal Revenue Code §103 1 tax-deferred exchanges, there are many other reasons. First, let's read IRC §1031:

"No gain or loss shall be recognized (that means taxed) on the exchange of property held for productive use in a trade or business or for investment if such property is exchanged solely for property of a like kind which is to be held either for productive use in a trade or business or for investment."

There have been hundreds of tax-deferred exchange court decisions interpreting those few words of IRC §1031. Before proceeding, let's look at those ultra-important words "like kind." *They do NOT mean "same kind" of property.* "Like kind" simply means all real estate in the exchange must be held for investment or for use in a trade or business. Sony, you cannot trade your real estate for common stock, limited partnership interests, or other non-real estate. Neither can you make a tax-deferred trade of your appreciated common stock, paintings, or other personal property for real estate. *In summary, keep personal property out of your real estate exchanges!*

The only two types of real estate which are NOT eligible for a tax-deferred exchange are (1) your personal residence, and (2) dealer property, such as a homebuilder's inventory of new homes for sale. The reason is they are not "like kind" realty held for investment or for use in your trade or business. Examples of qualifying exchanges include trading vacant investment land for apartments, a rental house for an office building, a commercial shopping center for several warehouses, and an apartment building for an office building. But you *can* convert your personal residence to qualify.

EXAMPLE: Pretend you are a single homeowner whose residence has greatly appreciated in market value since you purchased it many years ago. If you sell, your capital gain will be $400,000, well above the $250,000 principal residence sale tax exemption (up to $500,000 for a married couple filing jointly). Suppose you meet the two out of five year ownership and occupancy test of Internal Revenue Code §121 to qualify for this great tax break. If you want to sell but not pay tax on that $150,000 capital gain exceeding your $250,000 exemption, you can avoid tax on the entire $400,000 by (1) converting your home into a rental, perhaps on a lease-option with a buyer, and then (2) making a Starker delayed tax-deferred exchange for a "like kind" property, such as apartments, offices, or even another rental house, If your goal is to eventually "move up" to a mansion, you can later convert the mansion rental house acquired in a tax-deferred exchange into your personal residence.

How long must a personal residence be rented to qualify for a tax-deferred exchange? In the example above, a personal residence with a big profit was converted into a rental house so it could qualify for a tax-deferred exchange. Your question probably is "How long must the house be rented before exchanging it?" The official IRS answer is "Nobody knows for sure." Surprisingly, there is no IRS regulation on this issue, which is a frequently asked question. Most CPAs and real estate attorneys suggest renting for at least six to 12 months, preferably in two different tax years.

Technically, the minute you move out of your principal residence and convert it into a rental by moving tenants in that property becomes "like kind" eligible for an exchange. Similarly, when acquiring a rental house, the question often asked is "How long must the house be rented before I can convert it to my personal residence by moving in?" Again, the answer is "Nobody knows for sure." However, if the IRS audits your exchange, the issue becomes "Did you have rental intent when acquiring the replacement rental house which was later converted into your residence?" Renting six to 12 months should prove rental intent, but there are no guarantees when dealing with the IRS.

The "top 10" primary reasons investors want to exchange "like kind" properties:

1--Avoid income tax erosion of profit when a property is sold and also avoid depreciation recapture taxes.

2--Minimize the need for new mortgage financing on the property acquired.

3--Dispose of an undesirable property or one, which is hard to sell, and acquire one, which is either more desirable and/or easier to sell.

4--Increase the investor's depreciable basis by acquiring a larger depreciable building.

5--Acquire a property, which better meets the owner's needs, such as requiring less management time or providing greater cash flow.

6--Defer part of the profit tax by trading down to a smaller property, which better suits the owner's needs. An installment sale note can be used to spread the profit tax over several years.

7--Pyramid your wealth into a large estate without paying profit tax by trading up.

8--Receive tax-free mortgage refinance cash to make other investments by refinancing either before or after (but NOT as part of) the tax-deferred exchange.

9--Avoid capital gains tax when the owner dies while still owning the last property in the exchange chain. However, the net market value of property owned at time of death will be included in the owner's estate for estate tax purposes. This is a reason many investors like to periodically refinance to keep their mortgage balances up and the net equity of their real estate holdings down.

10--Accept an unexpected purchase offer to sell a currently owned property without owing tax on the sale profit.

A loss on the exchange of a "like kind" property is not recognized (tax deductible) because there is no tax to defer on the loss. If you decide to dispose of a property at a loss (because it is worth less than its depreciated book value), a sale or abandonment is usually better than an exchange. Then the owner can usually recognize an ordinary tax loss deduction if the property was held for investment or use in a trade or business. *However, a loss on the sale of a personal residence is never tax deductible.*

HOW STARKER "DELAYED" TAX-DEFERRED EXCHANGES WORK. Because Starker exchanges have become so popular among realty investors and business property owners, the balance of our newsletter will concentrate on Starker exchanges. However, old-fashioned direct and simultaneous IRC § 1030 three-way exchanges can still be used. But Starker IRC § 1031 (a)(3) exchanges are much easier today. A recent Starker development is a "reverse exchange," allowing a qualifying replacement property to be acquired *before* the currently owned property is sold. Let's take a close look at the IRC §1031(a)(3) Starker exchange statute itself:

REQUIREMENT THAT PROPERTY BE IDENTIFIED AND THAT EXCHANGE BE COMPLETED NOT MORE THAN 180 DAYS AFTER TRANSFER OF EXCHANGED PROPERTY — For purposes of this subsection, any property received by the taxpayer shall be treated as property which is not like-kind property if — (A) Such property is not identified as property to be received in the exchange on or before the day which is *45* days after the date on which the taxpayer transfers the property relinquished in the exchange, or (B) Such property is received after the earlier of — (C) The day which is 180 days after the date on which the taxpayer transfers the property relinquished in the exchange, or (D) The due date (determined *with* regard to extension) for the transferor's return of the tax imposed by this chapter for the taxable year in which the transfer of the relinquished property occurs."

Did anybody understand that? Now you know why it's called the Internal Revenue CODE! In understandable English, this poorly worded law says a seller of a qualified "like kind" property held for investment or use in a

trade or business can defer paying their capital gain tax by identifying, within 45 days after the sale of the old property, a qualifying replacement exchange "like kind" property to be acquired, and within 180 days after the sale of the old property, completing the acquisition of the identified replacement property.

However, if the exchanger takes out any "boot" such as cash or net mortgage relief, that "unlike kind" property received becomes taxable (the entire exchange is not disqualified, just the cash or net mortgage relief portion becomes taxable). But cash used to pay expenses, such as real estate commissions and fees for the third-party intermediary, is not considered taxable "boot."

Following the sale of the old investment or business property, the sales proceeds must be held beyond the up-trader's "constructive receipt" by a qualified third-party intermediary or accommodator. These third parties are often bank trust departments (Borel Bank and Trust Co. of San Mateo, CA claims to be the nation's largest bank trust department handling Starker exchanges from all over the U.S.). Other accommodators are independent exchange accommodator facilitators and exchange subsidiary corporations of title insurance companies. *Frankly, I don't feel comfortable dealing with some of the small independent "mom and pop" intermediaries.*

EXAMPLE: Ray Prehm owned Sale Guaranty Corporation (SOC), which facilitated Starker exchanges as a third party. When Prehm died unexpectedly, SOC filed Chapter 7 bankruptcy. At the time of the filing, SGC held title to properties for several individuals. SOC also held cash from the sale of properties involved in exchanges. SOC's bankruptcy trustee argued these properties and the cash belonged to SGC for the benefit of SOC creditors. Fortunately, the U.S. Bankruptcy Court granted summary judgment for the individuals who trusted SOC with their properties and cash. But the bankruptcy trustee appealed. The Ninth Circuit U.S. Court of Appeals affirmed, ruling SOC held the properties in a resulting trust and the cash in an express trust for the benefit of the SOC clients. But the delay caused by the SOC bankruptcy resulted in the clients losing their Starker exchange tax deferrals for failure to meet the 45-day and 180-day deadlines. This case shows why it is so important to select a well-capitalized third-party intermediary, such as a bank trust department or a title insurance exchange subsidiary, which is unlikely to go bankrupt — IL Re Sale Guaranty Corporation, 220 B.R. 660.

IRS Regulations say a qualified accommodator can be a third-party who is 1121 the exchanger or a "disqualified person" such as an agent of the exchanger within the last two years (such as an employee, attorney, accountant, and real estate agent), a related party (family members or a corporation in which the taxpayer owns more than a 10% interest), or a related agent (such as an escrow firm owned by the exchanger's attorney).

Before leaving the Starker exchange basics, the importance of the 45-day and 180-day time limits cannot be over-stressed. *There can be no extensions of these firm deadlines!* In 1991, the IRS issued new regulations, many of which have no foundation in IRC §1031(a)(3). However, I do not recommend challenging these rules, which are binding on taxpayers unless overturned by a court. When designating within the 45-day period possible replacement properties to be acquired with the sales proceeds from the old "111cc kind" property, there are three basic rules:

1 — THE THREE-PROPERTY RULE. The IRS regulations allow the exchanger to identify up to three possible replacement properties without regard to their fair market values. During the 45-day designation period, one property (or all three) can be deleted from the list and replaced with other possible acquisitions. The written designation list must be signed by the exchanger and delivered to the person who will transfer the replacement property (usually the intermediary or accommodator) or any other person involved in the Starker exchange, such as an escrow agent. *This is the easiest method, which used by most exchangers.*

2 — THE 200% RULE. During the 45-day designation period, if more than three properties are identified as possible replacements, either (a) the total fair market value of the designated properties cannot exceed 200% of the fair market value of the relinquished property as of its transfer date, or (b) at least 95% of the total value of the identified properties must be acquired. *This 200% rule is much more difficult to satisfy than the three-property rule above which has no market value limitations.*

3 — THE CONSTRUCTION TO-BE-BUILT RULE. Starker exchange regulation §l.1031(k)-l(e)1 allows designating within the 45 days a replacement property, which includes a contract to construct, build, install, manufacture, develop or improve realty. This permits selling a qualifying exchange property for cash and having the sales proceeds held by a third-party intermediary while the qualifying replacement property is being built as part of the delayed exchange.

HOW TO STOP THE 45-DAY AND 180-DAY CLOCKS. Just get involved in a Starker exchange if you want to see 45 days and 180 days fly by very quickly! An attorney friend of mine recently found a suitable replacement property to designate with only three days to spare before his 45 days expired. The IRS allows no time extensions.

EXAMPLE: Raymond and his ex-wife Phyllis failed to complete their Starker exchange acquisition within 180 days after selling their $1.9 million apartment complex. They correctly identified several possible replacement properties within 45 days. But the closing of their acquired property was delayed until 194 days after the apartment sale closed. The bad result was they owed $125,887 of their profit tax when the U.S. Tax Court ruled their 180-day acquisition-closing period could not be extended by just 14 days — St. Laurent T.C. Memo 1996-150.

The two best ways to stop or delay the 45-day and 180-day clocks from ticking are (a) delay the closing date for the sale of the old "like kind" property until you have lined up a probable replacement property, and/or (b) rent the old property to be sold on a lease-option to its buyer who wants immediate possession with a delayed title transfer date. Either or both alternatives should provide enough time to find a suitable replacement trade-up property. Of course, be sure the buyer-renter places his down payment in escrow beyond your constructive receipt so you are 99.9% certain the sale of your old property will close when you find a suitable replacement property.

DON'T FILE YOUR INCOME TAX RETURNS DURING THE 180-DAY REPLACEMENT PERIOD — DOING SO AUTOMATICALLY STOPS THE 18 -DAY CLOCK**.** Watch out for the last clause in IRC §1031(a)(3) if you are in the 180-day replacement period when your income tax returns come due on April 15 if you sold the old property late in the prior tax year. Instead of filing your tax returns on time, which automatically stops the 180-day replacement clock from running, file for an automatic 90-day extension (to August 15).

EXAMPLE: Orville and Helen Christensen closed the sale of their large apartment building on December 22, giving them 180 days until June 21 of the next year to close the purchase of a qualifying replacement property to complete their Starker tax-deferred exchange. However, they filed their income tax returns on April 15, thus automatically terminating their 180-day replacement period. But they acquired tide to the identified qualifying replacement property on May 22. Because their 1 80-day replacement period terminated on April 15 when they filed their tax returns (instead of filing a 90-day automatic extension), Orville and Helen had to pay $220,039 tax on their $776,441 capital gain from sale of their apartment building — Christensen, T.C**.** Memo 1996-254.

Also, be sure to *correctly* designate the qualifying~ replacement property to the third-party exchange accommodator within 45 days after the title transfers on the old investment or business property which was sold.

EXAMPLE: On August 22, 1989, David and Naomi Dobrich of Danville. CA sold 117 acres of their Antioch, CA land for $3,969,000. Their adjusted cost basis was just $281,825 and their realized capital gain profit was $3,687,175. Third-party accommodator Clack Brothers, Inc. held the sales proceeds under a Starker delayed exchange agreement. Timothy Clack is a California real estate attorney who represented the Dobrich family since 1970. During the 45 days after the title transfer, the Dobrichs designated 10 properties as possible replacements. But none was acquired. In February 1990, within the 180-day acquisition limit, the Dobrichs used the sales proceeds to acquire a Pleasant Hill, CA shopping center and a rental residence in Zephyr Cove, NV. When the IRS audited their tax returns, evidence showed the purchase agreements were re-dated and letters back-dated to September 1989 indicating interest in acquiring the two properties, but they were never designated within the 45-

day period. Under a plea-bargain agreement with the U.S. Department of Justice, David Dobrich pled guilty to two counts of causing delivery of false documents to the IRS. The U.S. Tax Court ruled these backdated documents did not identify the acquired replacement properties within the 45 days required by IRC §1031(a)(3). Installment sale tax-deferred benefits were denied because the sales proceeds were constructively received by Clack Brothers, Inc. for the benefit of the Dobrichs. The Tax Court imposed a *75%* fraud penalty for tax underpayment by intentionally evading the capital gains tax. The total tax owed was $3,889,571 including penalties and interest because the exchangers didn't meet the 45-day notification rule—Dobrich, T.C. Memo 1997-477.

EARNING INTEREST ON SALES PROCEEDS FROM THE OLD PROPERTY WILL NOT DISOUALIFY THE TAX-DEFERRED EXCHANGE. As you may recall, in T.J. Starker's exchange, he earned a 6% "growth factor" on his timberland sales proceeds being held by Crown-Zellerbach while he searched for replacement properties. The court ruled the 6% was taxable interest income to Starker, but it didn't disqualify the exchange. A good use for the interest earned while, sales proceeds are being held by the third-party intermediary is to pay the expenses, such as realty sales commissions. *Of course, any met interest income earned must be reported on the exchanger's income tax returns.*

STARKER "REVERSE EXCHANGE" RULES APPROVED BY THE I.R.S. Until October 2000, a major problem with Starker exchanges was the replacement property often would be located before the old investment or business property was sold. Not wanting to lose suitable replacement property, exchangers often tied up the replacement property by use of a purchase option, lease-option, or a long-term purchase contract with a delayed closing date.

Another method was to buy the replacement Property in the name of the third-party exchange accommodator. But this arrangement could cause problems, such as (1) how to finance the acquisition before selling the old property, (2) liability of the third-party accommodator during the holding period, and (3) what happens if the old property doesn't sell within a reasonable time for an acceptable sales price.

But in October 2000, Internal Revenue Bulletin 2000-40 and Revenue Procedure 2000-37 (26 CFR 1.1031(a)-1), available at the IRS website www.irs.gov, explained new "safe harbor" rules for Starker "reverse exchanges" when the qualifying replacement property is located before the old property is sold. The key to a successful reverse exchange tax deferral is the third-party who temporarily takes title to the replacement property (called "parking" by the IRS) must be considered its owner "for federal income tax purposes."

To illustrate, if a toxic waste dump is discovered on the acquired property, the third-party title holder will be responsible for its cleanup. But the exchanger can agree to indemnify the third-party exchange accommodator against liability. The parking time limit with the accommodator for either the old or new property is 180 days maximum. During that time the exchanger may lease, but not hold title to, the parked property.

TWO METHODS APPROVED FOR REVERSE EXCHANGE TAX DEFERRAL. The new IRS reverse exchange rules approve two methods: (1) After a buyer is found for the old property, the rules say it must be "relinquished" to the third-party accommodator in trade for the already-acquired reverse exchange replacement property (then the old relinquished property can be transferred by the accommodator to the waiting buyer), or (2) the accommodator can transfer title to the already-acquired property to the exchanger who then transfers title to the old property to the exchange accommodator to hold its title until it is sold.

The IRS bulletin adds "Further, the Service (IRS) recognizes that 'parking' transactions can be accomplished outside of the safe harbor provided in this revenue procedure...The Service (IRS) will not challenge the qualification of either the 'replacement property' or 'relinquished property' for purposes of IRC §1031." That statement could become important if either property might not qualify, such as a vacation or second home which is neither the owner's principal residence nor clearly held for investment or use in a trade or business.

A WRITTEN REVERSE EXCHANGE AGREEMENT IS REOUIRED WITHIN FIVE DAYS. The IRS rules require the taxpayer and the exchange accommodation titleholder to enter into a written agreement within five days after the transfer of title for either the old or replacement property to the accommodator. The contract must state title is held for the benefit of the taxpayer to facilitate a tax-deferred IRC § 103 reverse exchange under Revenue Procedure 2000-37, which requires reporting the transaction to the IRS.

Within 45 days after transferring title to the replacement property to the accommodator, the exchanger must identify which currently owned property is to be relinquished (sold). The sale must be completed within 180 days after the accommodator acquires title to the replacement property. The parties in a reverse exchange must be unrelated to each other.

For more information: An excellent new book to study for further exchange details is "Real Property Exchanges". Third Edition by Louis S. Weller, Esq. and Cecily A. Drucker, Esq., 2002, 485 pages, California Continuing Education of the Bar, Oakland, CA; 1-800-232-3444; www.ceb.com. This superb book is not limited to just California tax-deferred exchanges. Please consult your personal tax advisor or attorney for specific information on your exchange situation.

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