



Sweet & Maier, S.C.

Inns of Court Building
114 N. Church St.
PO Box 318
Elkhorn, WI 53121
262-723-5480
www.wisclaw.com

What's Inside Spring 2016

Yggdrasil Land Foundation [From Norse Mythology to Modern Sustainable Farming]	1/2
Mr. Frosty	2
So You Think You Have Tax Problems? [The case of the "Harley Riding Mama" and her boyfriend]	3
If you are selling your car yourself...there is a new law you need to know about.	4
"The Lawscars"? 22 Law-related Oscar nominated Films	4
Ask Your Attorney...Help! Can I Get An Extension to File My Tax Return?	5
Estate Planning: Leave Less to the IRS (and the Lawyers)	5



Legal Bytes

Yggdrasil Land Foundation [From Norse Mythology to Modern Sustainable Farming]

In Norse mythology, Yggdrasil, also called the World Tree, is the giant ash tree that links and shelters all worlds:



strong base, and we also have been able to use cash donations, and "partner" with local initiatives, to support the purchase of additional land and conservation easements. Today, Yggdrasil Land Foundation has nearly 2,000 acres protected."

*I know that an ash tree stands called
Yggdrasil,
a high tree, soaked with shining loam;
from there comes the dews which fall in the valley,
ever green, it stands over the well of fate.
(Seeress's Prophecy)*

The indigenous people of that time represented Yggdrasil by planting what was called a 'care-tree', or 'guardian tree', in the centre of the homestead. It was a miniature version of Yggdrasil, and a stately landmark in the courtyard. The care-tree was a figurative expression of the interdependence of the world around us. It had a soul which followed the lives of those who grew up under its shadow and boughs, and reminded the people to remember their past, to celebrate the flowering world, and to strive for a better future.

Today, we welcome the Yggdrasil Land Foundation to our community, as a new form of land trust. According to its President, John Bloom, "Yggdrasil Land Foundation's purpose is to protect sustainable and biodynamic farmland, create land access for farmers, and cultivate agriculture-based regional economies. We work hard to accomplish our mission through integrating three core strategies – land preservation, land access, and long term land stewardship through preservation. The gifts of agricultural land, and other convertible properties, which we have received have enabled us to begin with a

History

Yggdrasil Land Foundation, Inc. ("YLF") was incorporated in 2000, as a 501 (c)(3) charitable organization, to protect farmland, and provide land access for individuals and communities that value and integrate sustainable agricultural practices. Again, according to John Bloom, "Yggdrasil was founded with the vision of securing land in perpetuity for use as biodynamic and organic farms, and was brought into being by two gifts of land, one in California and one in East Troy, Walworth County, Wisconsin. Since that time, Yggdrasil has received additional property, and today all our properties are managed as organic and biodynamic farms under the diligent care of long-term farmers."

YLF has been an all volunteer board-driven organization since its inception and is continually building its organizational capacity to take on future projects and increase its effectiveness.

Organization Design

YLF is chartered to receive land and hold conservation easements to preserve agricultural lands in perpetuity. It represents a new form of land preservation, the result of three distinct non-profit organizations: RSF Social Finance (RSF) - San Francisco, CA, Biodynamic Association - Milwaukee, WI, and Michael Fields Agricultural Institute (MFAI) - East Troy, WI. RSF brings social and environmental financial and management expertise, manages the financial endowment and administrative aspects. The Biodynamic Association provides a rich relationship to the national diverse community engaging in biodynamic and kindred agricultural practices. Michael Fields is a research institute situated in East Troy, Wisconsin, which seeks to provide educational and policy support to sustainable agricultural practitioners.

(Continue on page 2)

*and forget not
that the earth
delights to feel
your bare feet
and the winds
long to play
with your hair*

kahlil gibran



Yggdrasil Land Foundation
[From Norse Mythology to Modern Sustainable Farming]
 (Continued from page 1)

Need for Farmland Preservation / One Farm at a Time

According to Bloom, “The rate of conversion of prime agricultural land from the early 1980’s to the late 1990’s increased by 51%, and as of 2007 our nation is losing 1.2 million acres every year. Conversion of our most fertile and productive soils is being lost at the fastest rate to residential and commercial development. And urban-fringe farming accounts for 86% of our fruits and vegetables, and 63% of our dairy products.”

And statistics show that other current trends are adding to the severity of the issue: the average age of farmers is 58 years old; land values have continued to rise and many beginning farmers are unable to purchase affordable farms; and over 50% of US farms are owned by non-farmers, resulting in the displacement of small family farms.

YLF works to counter these trends. Primarily through land ownership throughout the United States, Yggdrasil Land Foundation seeks to be responsible for the lasting stewardship of land by offering it to farmers who will employ biodynamic, organic and sustainable farming techniques, and then help them to transfer user ship over generations. President John Bloom continued: “The land then becomes a non-monetary resource to be used by those who will care for the land and offer its bounty to the community. When the land is owned as a commodity to be speculated upon, financial priorities can demand that the land give of itself to the point of depletion. Yggdrasil seeks to reverse this trend one farm at a



who is using it to grow flowers, and we soon hope to have one or two young, energetic, dairy farmers operating the dairy farms. We are really excited, because this will really form the base for a diversified agricultural landscape.”

How can you Help?

Landowners and friends of YLF can help by making outright, or partial, donations of land or conservation easements, as well as through donations of money -- all of which can qualify as tax deductible charitable gifts because of YLF’s charitable status under the Internal Revenue Code.

There is a lot more information available about everything from land donations, bargain sales, farm initiatives and conservation easements, to more technical approaches, like use of reserved life estates and charitable gift annuities and remainder trusts, all discussed on YLF’s web site: www.yggdrasillandfoundation.org/. Take a look. We here in Walworth County, Wisconsin, can be proud that we have been in the forefront of farmland preservation since our County adopted one of the first (if not the first) farmland preservation zoning ordinance over 40 years ago. Having Yggdrasil Land Foundation call us “home” is an honor, and an opportunity, which we can all support.



time.”

And there is a lot going on right here in Wisconsin! According to YLF corporate Secretary, Dorothy Hinkle-Uhlig, “On a local note, we are just finishing the renovation of buildings on a newly-donated East Troy farm, and Alfrid Krusenbaum of Elkhorn has been hard at work remediating the land, which had some fertility issues.” Dorothy went on to say that “The funds for all this came from special people who support our work and our mission. The new land comprises 413 acres, which includes two former dairy farms. Part is leased to the Michael Fields Agricultural Institute for their research, part to a tenant



So You Think You Have Tax Problems? [The case of the “Harley Riding Mama” and her boyfriend]

Mr. Lewis E. Burns and Ms. Diane Blagaich were involved in a romantic relationship from November, 2009 until March, 2011. In 2010, she was 54 years old; Mr. Burns was 72. Both resided in suburbs of Chicago, Illinois.

By November of 2010, Burns had already provided the object of his affection with cash wired to her bank account amounting to \$200,000, and had given her a \$70,000 Corvette automobile, as well as various checks totaling \$73,819 (in all, \$343,819).

On November 29, 2010, they entered into a written agreement intended in part to confirm their commitment to each other, and to provide a financial accommodation for her. Neither party desired to marry, and the agreement was, at least in some respects, intended to formalize their “respect, appreciation and affection for each other” in the way a marriage otherwise would do. The agreement further provided that the parties “shall respect each other and shall continue to spend time with each other consistent with their past practice”, and that both “shall be faithful to each other and shall refrain from engaging in intimate or other romantic relations with any other individual”. In other words, no cheating! The agreement also required Mr. Burns to make an immediate cash payment of \$400,000 to her, which he did!

If you guess what happened then, you are probably right. Their relationship quickly deteriorated in the months that followed; and on March 10, 2011, she moved out for the last time. He responded by sending her a Notice of Termination of their agreement, and suing her in DuPage County Illinois Circuit Court for fraud (after finding out that she had been involved in an ongoing romance with another man throughout their relationship, despite the terms of the agreement).

The complaint sought, among other things, nullification of the agreement, a return of the Corvette automobile and diamond “engagement ring”, and a further order directing Ms. Blagaich to “disgorge all cash and other accommodations that *** [Mr. Burns] provided to her, totaling in excess of \$700,000.”

Not content with simply suing her, our jealous boyfriend also (very creative here) filed a Form 1099 with the IRS, stating that he paid her nearly \$750,000 in income during 2010. That amount reflected Mr. Burns’ wire transfer of the \$200,000, the Corvette automobile worth \$70,000, the various checks totaling \$73,819, and the \$400,000 payment made pursuant to the agreement.


That put Ms. Blagaich in the “crosshairs” of the IRS. They wanted their cut in income tax on the three quarters of a million dollars in income that she had been paid. It all just gets better!



A trial was held in the civil fraud case, and, in November 2013, the State court issued an opinion and order. With respect to the agreement, Ms. Blagaich was indeed found to have fraudulently induced Mr. Burns to enter into it. She’d been “doubletiming” him from the beginning! So, the good news for Mr. Burns was that he was awarded damages against his former girlfriend in the amount of \$400,000. The bad news you ask? Well, unfortunately for him, the judgment ended up being payable to his estate (he died shortly after the trial). With respect to the Corvette automobile, the \$200,000 wire transfer, and the various checks that Mr. Burns had written, the State court found that: (i) the Corvette was a gift made because he did not want her to ride her Harley Davidson motorcycle, which activity frightened him; and (ii) he had wired the \$200,000 to her account to entice her to leave her job and to travel with him; and (iii) he gave her the various checks, totaling \$73,819, under similar circumstances. The State court’s ultimate finding was that the Corvette, the \$200,000 wire transfer, and the various checks were “clearly gifts” from Mr. Burns to his consort, and that she was entitled to keep them.

Subsequently, one of the executors of Mr. Burns’ estate issued a revised Form 1099 reducing the amount of compensation reported as being paid to Ms. Blagaich in 2010 to \$400,000, in accordance with the Court’s findings. And, in 2014, she paid back the \$400K to the estate to satisfy the judgment that had been taken against her. So, you might think that was the end of the story. After all, she may have received \$400,000 in taxable income, which she hadn’t paid tax on -- but when she paid it back, didn’t that cancel things out? The IRS Commissioner didn’t think so. And neither did the United States Tax Court. In a ruling filed January 4, 2016, the Tax Court found that since she hadn’t paid it back in 2010 (the year of receipt), she owed tax on the \$400K! It did not matter, legally, that she paid it back later.

And to add insult to her injury (or at least in a wry twist of poetic justice), Judge Halpern, writing for the Tax Court, also ruled that the IRS wasn’t bound by the State court decision on whether the additional cash and Corvette were items of income or gifts – so the IRS is now free to attempt to collect taxes on the value of that as well -- if it elects to do so.

So what is the moral of the story? Well, as it’s written, love is patient, and love is blind,  and in the end, it can also leave you with a big tax obligation!



IF YOU ARE SELLING YOUR CAR YOURSELF .. THERE IS A NEW LAW YOU NEED TO KNOW ABOUT

[Will Government ever stop growing?]

As of January 1, 2016, a new Wisconsin state law requires an individual selling a privately-owned motor vehicle to another private party to report that sale to the Wisconsin Department of Transportation (WisDOT) within 30 days of the sale. To help state residents, WisDOT has developed an online service where sellers can conveniently submit their notice of sale electronically. Seller Notify is available at: wisconsindmv.gov/SellerNotify.

The DOT understands this is a new process for private-to-private sellers, so their goal is to make it as easy as possible to comply with the new law. This new law does not apply to businesses buying or selling vehicles or motor vehicle dealers.

Private motor vehicle sellers can report the sale in three steps through Seller Notify. This online tool also enables the seller to print a receipt, email a copy, or save the recorded information for their records. Sellers can also report

(using form MV 2870) by mail or at a local DMV service center. The Seller Notify system was designed to be compatible with mobile devices and desktop computers. Sellers can use their preferred platform (including phones and tablets) to submit sale data directly to WisDOT in real time.

Only the website with .gov is the official state DMV website. Others with .org and .com are not official and may have extra charges for forms or list information that is outdated or incorrect. In addition to the expanding services on its website, WisDOT connects with customers on Facebook and Twitter @WisconsinDOT.



“The Lawscars”?

22 Law-related Oscar nominated Films



As Hollywood readies for the 88th Academy Awards, we look at some of the law-related films that earned Oscar awards or nominations in the past 70 years.

Earning Oscars:	Earning Nominations:
<p>“Miracle on 34th Street” (1947)</p> <p>“Judgment at Nuremberg” (1961)</p> <p>“To Kill a Mockingbird” (1962)</p> <p>“A Man for All Seasons” (1966)</p> <p>The Paper Chase” (1974)</p> <p>“Kramer vs. Kramer” (1979)</p> <p>“Reversal of Fortune” (1990)</p> <p>“My Cousin Vinny” (1992)</p> <p>“Philadelphia” (1993)</p> <p>“Erin Brockovich” (2000)</p> <p>“Chicago” (2002)</p> <p>“Michael Clayton” (2007)</p> <p>“Lincoln” (2012)</p>	<p>“12 Angry Men” (1957)</p> <p>“Witness for the Prosecution” (1957)</p> <p>“Anatomy of a Murder” (1959)</p> <p>“And Justice for All” (1979)</p> <p>“The Verdict” (1982)</p> <p>“A Few Good Men” (1993)</p> <p>“Amistad” (1997)</p> <p>“A Civil Action” (1998)</p>

What’s your favorite law-related movie?



Ask Your Attorney

Help! Can I Get An Extension to File My Tax Return?

Dear Counselor: The last year has been full of changes for me and my wife. In August, I quit my job and started a new business which I run out of our home, and then, in October, my wife gave birth to twins. As a result, tax season snuck up on us, and filing our return on time will be simply impossible. Will the IRS lower the boom on us for filing a late return?

Dear Client: Sometimes, Uncle Sam can be accommodating and reasonable, and late tax return filings are one such circumstance -- provided you submit a proper and timely extension request. If you correctly fill out and submit Form 4868 by April 18, 2016, you will receive an *automatic* six-month extension, until October 17, 2016, to file your 2015 tax return.

Getting an extension does NOT mean you're off the hook for timely paying your income taxes. You will be charged interest on any tax due that you don't pay by April 18, and, if the amount of tax you do pay with Form 4868, plus withholdings and estimated tax payments for 2015, is less than 90% of the amount of tax due, you will be charged a late-payment "penalty" (usually, .5% of the unpaid tax per month), unless you can show cause.

So, although you don't need to complete your return by April 18, (we get an "extra" three days to file this year), make sure you've at least done enough work so that you can make a good estimate of the amount of taxes you would have to pay, if any, with a timely-filed return. Then, by April 18, submit your Form 4868 and any necessary payment. You'll then have six more months to file your complete tax return, and when you do, you won't have to worry about excessive interest or late fees being tacked on to your tax bill. You can file electronically (go to www.irs.gov), and you can pay using a credit card/debit card or make a direct payment from your checking or savings account.

Sincerely,
John L. Maier Jr.
Robert T. VanScoyoc



Estate Planning: Leave Less to the IRS (and the Lawyers)

You've worked hard to build your assets, your investments, your home, and your treasured possessions and to provide financial security for your loved ones. Doesn't it make sense to work just as hard to protect those assets for your heirs?

That is the primary goal of estate planning -- to protect, preserve and manage your estate if you die or become disabled. Estate planning is a topic the living love to avoid, but the cost of procrastination can be high for those you care about most.

Without an estate plan or with an out-of-date plan, the fates of your assets and your loved ones may be decided by attorneys or the government. Taxes and legal fees could eat away at your estate, and distribution of your assets could be delayed at a time when your heirs need them most.

Getting Started: Estate planning can begin with something as simple as updating the beneficiaries of your insurance policies and retirement accounts. To make sure all your wishes are carried out, you'll need to draft a will or establish a trust, but these things can be handled in a few brief meetings with an estate attorney.

Updating your estate plan: When life inevitably changes, so should your will. Would you feel confident that if you died today your wishes would be carried out as you have planned? Because change is a constant in our lives, it's important to keep estate plans up-to-date.

For more information on Estate Planning, visit our website at: www.wisclaw.com

We welcome your referrals.

We value all our clients. And while we're a busy firm, we welcome all referrals. If you refer someone to us, we promise to answer their questions and provide them with first-rate, attentive service. And if you've already referred someone to our firm, thank you!