



GM PROPERTIES RECEIVES HIGH RANKINGS FROM THE LA BUSINESS JOURNAL



The new year kicked off with a great honor for GM Properties and its dedicated employees. In January, the 50-year-old company was ranked No.

8 on the LA Business Journal's Top 20 list of Industrial Property Management Firms. And it was ranked No. 24 on the Journal's Top 25 list of Office Property Management Firms.

Commercial Beat caught up with GM Properties President Jason Jamison, who couldn't be more proud of receiving these prestigious honors.

CB: What are some of the factors you believe helped your company receive a No. 8 ranking on the Business Journal's Industrial list?

JJ: Persistence and determination. However, we don't show up every day hoping that we are going to make it on some list. We show up every day looking to grow our core commercial property management business. If, at the end of the day, we are given recognition for our success, we appreciate the recognition.

CB: What is your philosophy on being a standout company in your industry?

JJ: We truly believe that we offer a level of service that is unparalleled by most other property management firms. We pride ourselves on our ability to create property management solutions that are uniquely tailored to each individual property owner and their specific set of circumstances.

CB: Have you implemented any new strategies for 2013?

JJ: We are always looking for opportunities to grow as a company. As a smaller firm, we are able to adapt to ever-changing needs within the industry and technological advances that increase our efficiencies. In short, we are evolving every day

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LOS ANGELES COUNTY'S
TOP INDUSTRIAL
Property Management
FIRMS
2013

RANKED #8

GM PROPERTIES

Ranked by Industrial Square Footage Managed in L.A. County

Rank	Firm	Industrial Sq. Footage	Office Sq. Footage	Other Sq. Footage	Percent Owned	Services	Profile	The Local Executive
1
8	GM Properties 12345 Main Street, Suite A Los Angeles, CA 90001 www.gmp.com	2.1	0.1	0.1	0	Leasing, sales, property management, maintenance services, tenant services	100% A.A. Jamison President	Jason Jamison President 100% DND 900-1234

and adopting new strategies on a continual basis. However, our goal is the same – to be the premier commercial property management company in the region.

CB: What are two of the most unique things about the way GM Properties deals with its clients?

JJ: We are always accessible. We return calls and respond to texts and emails almost immediately. We use every form of technology to keep our clients informed of the constant changes taking place that effect them and their property. This may seem silly, but I know of other firms that pride themselves on returning all calls and email inquiries within 48 hours.

Also, we encourage the client to have as active a level of participation in the management of their real estate as they desire. Some clients want to be completely removed from any day-to-day operations. Other clients like to remain actively involved in the strategic planning and daily operations. We allow the client the level of participation they demand and often times through this collaborative relationship, we find the client's dedication to our firm is strengthened.

CB: You clearly must take great pride in your executive team. What is it that makes you most proud?

"We are always looking for opportunities to grow as a company"

JJ: They do what they say they are going to do. This may seem very simple and obvious, but so many people overpromise and under-perform. My team sets client expectations and then meets or exceeds them, every time.



AMERICAN TAXPAYER RELIEF ACT OF 2012 IMPACTS BUSINESSES LARGE AND SMALL

Now that the American Taxpayer Relief Act of 2012 is officially in place, many changes are ahead that will impact businesses, both large and small. Valerie G. Sullivan, partner at Harvey and Parmelee LLP, a tax and accounting firm, reports that several popular business tax provisions that were set to expire at the end of 2012 have been extended through the end of 2013.

For example, the dollar limit that can be expensed in 2012 and 2013 is \$500,000 and there is a \$2 million investment limit. Businesses also can make use of the 15-year recovery period for qualified leasehold improvements, retail improvements and restaurant property until the end of 2013.

Sullivan says other business tax benefits that were extended through 2013 include:

- The 50 percent bonus depreciation
- The Section 41 research tax credit
- The Work Opportunity Tax Credit for hiring veterans and other individuals who meet specific criteria
- The 100 percent exclusion for gains on a sale of small business stock
- Special tax incentives for businesses located in empowerment zones
- Rules on S corporations making charitable donations of property

“Small business owners also will be affected by many of the provisions of the law governing individuals,” Sullivan said. For example, taxpayers will pay a new 39.6 percent rate on individual incomes of more than \$400,000 and on incomes of more than \$450,000 for married taxpayers filing jointly. The income received from a partnership or S corporation will be subject to rates as high as 39.6 percent. Corporate income for C corporations remains at 35 percent, which means it may be

worthwhile to evaluate a change in the form of your business to avoid the highest individual rate.

There are numerous other provisions, such as the same individuals who are subject to the new 39.6 percent top rate on income face a 20 percent rate on capital gains and dividends, up from 15 percent. “For federal tax purposes, the treatment of qualified dividends taxed at capital gains rates is made permanent,” said Sullivan. “So those that were concerned that qualified dividends would once again be taxed at the higher, ordinary income rates can breathe a sigh of relief.”



According to Sullivan, business owners struggling to pay their home mortgages — or whose home values have fallen below their purchase price — get another year of tax relief on any “indebtedness income” they may receive as a result of a loan modification or short sale.

With California’s approval of Proposition 30, which pertains to sales and income tax increases, Sullivan says income taxes will increase for the higher income taxpayers for seven years, beginning with 2012, as it was retroactive to Jan. 1, 2012.

“The rates do not exceed the older, maximum rate of 9.3 percent until the taxable income exceeds \$250,000,” said Sullivan. “At that point, the rate becomes 10.3 percent. The highest tax rate is 13.3 percent on taxable income over \$1 million.”

For more information and helpful articles about the new tax laws, visit: www.acpa4u.com



Harvey & Parmelee LLP



ATTORNEY PREDICTS BIG HEADACHES AS A RESULT OF WHITTIER COURT CLOSURE

Due to a budget shortfall estimated at up to \$85.3 million, the Los Angeles Superior Court recently announced it will be closing the Whittier courthouse, as well as courthouses in Pasadena, Pomona, Alhambra, Norwalk and Downtown L.A.

Along with employee layoffs, the closure may have numerous negative effects on Whittier, such as delays in criminal and civil case filings, fewer judges to review and sign affidavits and other legal documents.



GM Properties’ attorney Paul Bryan Gray also expects big headaches

for property owners who need to evict a tenant.

“This is going to cause a great deal of inconvenience as far as getting unlawful detainers through,” said Gray. “Attorneys are now going to have to drive to Long Beach just for a Whittier case and I imagine there will be quite a backup.”

The Whittier courthouse contains civil and small claims courtrooms, public defender’s offices, a Los Angeles County DA’s office, a county clerk’s office, the sheriff’s court services office and a traffic department. In a recent press release,

Assistant Presiding Judge David Wesley said that \$30 million is expected to be cut from court system.

“We’ve been through difficult times,” Wesley said. “But, hands down, it has never been this bad.” Last December, Whittier city officials sent a letter from Mayor Owen Newcomer to Wesley stating their opposition to the closure. They are still waiting for a response.

The court is scheduled to close at the end of the fiscal year on June 30. “No one knows what’s going to come out of all these closures,” said Gray. “I imagine it will be a nightmare.”



Tenant Spotlight

UNCLE LEE'S TEAS FINDS ROAD TO SUCCESS TO BE A STEEP, UPHILL CLIMB



From green to Chai to herbal to weight loss, South El Monte-based Uncle Lee's Tea manufactures just about every variety under the sun. The company, which opened for business in 1988, is a full-scale, independently labeled tea manufacturer. It distributes its products to retailers worldwide, such as Wal-Mart, Sam's Club and natural food stores.

While Uncle Lee's Tea has continually turned a profit, Senior Vice President James O'Young admits it's been challenging to stay one step ahead of all of his competition.

"It's constant work to remain profitable and you can't rest because if you do, a tiger behind you will take over," said O'Young. "It all comes down to sales skills and good marketing. Ultimately, you have to impress the retailers and continually sell a certain amount of product to stay on their shelves."

Uncle Lee's Tea took the U.S. tea market by storm by being the first company to introduce packaged green tea to the United States. O'Young says it didn't take long for big companies like Bigelow, Celestial Seasonings and Lipton to jump on the bandwagon.

"Back in the late 1980s, the American Cancer Association came out with a study about how the antioxidants in green tea were very important in the prevention of cancer," said O'Young, co-founder of Uncle Lee's Tea. "We caught the momentum of that news and started mass producing green tea here in the U.S. We were the first and afterwards, many tea companies began to follow and take away our business."

O'Young says one way of ensuring Uncle Lee's Tea will remain in business is to continue to create new and innovative products. Recently, the company introduced an organic line of green teas to the market, which he says is a top-seller at Wal-Mart. It also was the first to manufacture a line of Chai teas, which are available in four unique flavors.

"We were the first to put Chai tea in bags," O'Young said.

Along with its line of green and Chai teas, Uncle Lee's also manufactures a line of highly-effective weight loss teas that O'Young says have become very popular.

"We have received a lot of feedback that the weight loss teas work very well," O'Young said.

O'Young says his ultimate goal is to get his product into as many retail stores as possible. While that may take many years of hard work, he says his passion for his products will drive him forward.

"The ideal goal would be to have 100 percent distribution but that is never going to happen," said O'Young. "That being said, we started from zero and have achieved a lot. I consider us to be profitable but when it comes to being successful, we still have a long way to go."



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FISCAL CLIFF BRINGS GOOD NEWS FOR ESTATE AND GIFT TAX LAWS

Now that the government has managed to avoid going over the fiscal cliff, good news about our failing economy may be on the horizon. For the time being, property owners will be happy to know that estate and gift tax laws will not change except for a small increase in the maximum tax rate from 35 percent to 40 percent.

According to the law, the estate tax exemption, gift tax exemption and generation-skipping tax exemption will remain at \$5 million, indexed for inflation. In 2012, the indexed exemption was \$5.12 million, which means that a single individual

can either gift or pass tax free at death at least \$5.12 million of assets. Any amount over that will be taxed at 40 percent.

For spouses, the exemption would be doubled. If one spouse dies and if his or her estate does not fully utilize the \$5.12 million estate tax exemption, any remaining exemption will be available in the surviving spouse's estate.

Other components of the law allow property owners to discount assets owned within family businesses, including corporations, limited partnerships and limited liability companies.

Additionally, they are allowed to gift, sell or transfer assets to intentionally defective irrevocable trusts without paying any capital gains tax.

The stepped up cost basis will remain the same so that upon death, any appreciated assets will receive a new cost basis based on value of the asset at the time of death.

While these laws are considered permanent and do not have a fixed expiration date, they can be changed in the future by Congressional action.

**Team
GM
PROPERTIES**



Jason Jamison, SIOR



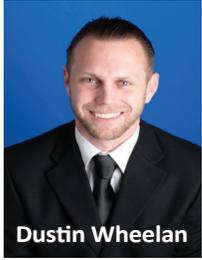
Marcy Monaco, CPM



Harry S. Lu



Ben Greer, CCIM



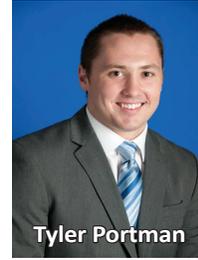
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Brent Haskell



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