



**FOR IMMEDIATE RELEASE**

**G2 Systems, LLC Publishes Mutual Fund White Paper on Wash Sale Reporting**

*Discusses critical wash sale issues for Mutual Funds and DRIPs*

**New York, July 18, 2011** – G2 Systems, LLC, a software and consulting firm specializing in investment management, accounting and operations systems for the alternative investment community, has today announced the publication of a new white paper, **Wash Sale Concerns for Mutual Funds and DRIPs**. G2's latest white paper serves as a resource to help the mutual fund industry clearly understand the impact of key issues, such as reinvested dividends and transfers, on wash sale calculations and cost basis reporting. This resource is of particular importance since the IRS now requires that wash sales be included in cost basis calculations to be reported on 1099(b) forms for mutual fund securities and dividend reinvestment plans (DRIPs) acquired on or after January 1, 2012 (Emergency Economic Stabilization Act of 2008).

The paper highlights eight major mutual fund and DRIP wash sale concerns: reinvested dividends, non-dividend distributions, transfers, short-term to long-term classification, share class transformations, average cost basis method (single and double categories) and selection of tax lots. In an easy-to-follow format, the white paper includes multiple examples of complex wash sale scenarios and explains why each instance does or does not result in a wash sale. The paper also discusses cost-basis calculation methods used to comply with the new IRS reporting rules.

“Calculating and analyzing wash sales are highly complex processes,” admits George Michaels, CEO at G2. “However, we are well versed in cost-basis reporting and passionate about sharing our knowledge and experience in this area.” He continues, “I’d be hard-pressed to find an organization that wants to tell its investors that they have to pay taxes on a trade in which they actually lost money—that’s why it’s of paramount importance that this community fully comprehends the complex conditions of a wash sale and how they impact capital gains and losses.”

G2's **Wash Sale Concerns for Mutual Funds and DRIPs** white paper is currently available through the new cost basis advisory web page: [www.g2systemsllc.com/costbasisadvisorypage](http://www.g2systemsllc.com/costbasisadvisorypage). Developed as a resource on the complexities involved in calculating and analyzing tax events, the page will be updated regularly with new content and white papers on the real-world cost basis calculation challenges that affect fund administrators, prime brokers and their hedge fund clients. Upcoming content will include: holding period adjustment methods for wash sales and substantially identical securities.

## **About G2 Systems, LLC**

G2 Systems, LLC, ([www.g2systemsllc.com](http://www.g2systemsllc.com)) is a software and consulting firm specializing in investment management, accounting and operations systems for the alternative investment community. The company's solutions are designed to improve the business operations of hedge funds, brokerage firms and fund administrators. The firm also owns TaxGopher®, a tax analysis engine for cost basis adjustments that provides accurate information on taxable gains and losses by identifying wash sales, constructive sales, straddles & qualified dividends. G2 is comprised of Wall Street finance and IT veterans and first-rate graduates from the nation's top engineering schools.

## **Media Contacts, G2 Systems, LLC:**

Steph Johnson/Jackie Mavin

[Aspectus PR](#)

+1 646 274 1348/+1 646 792 2109

[G2@aspectuspr.com](mailto:G2@aspectuspr.com)