



FOR IMMEDIATE RELEASE

## G2 Systems, LLC Publishes Prospective Wash Sales White Paper

Tax-aware portfolio managers use prospective wash sale data as a decision-support tool

New York, August 24, 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 another new white paper, Prospective Wash Sales. G2's latest white paper serves as a practical guide on how to proactively identify a wash sale before a trade is executed. This kind of information touches on an important potential consequence of a wash sale – the inability to claim a loss on the sale – and is critical for portfolio managers who want to extract the maximum tax benefit for their clients.

The paper discusses the two events that can result in a prospective wash sale: (1) creation of a new tax lot that acts as a replacement for a previously realized but not yet disallowed loss, and (2) the relief of a tax lot resulting in a superficial loss which, because of the pre-existence of a candidate replacement lot, will automatically be disallowed. Examples and reporting guidelines for each event are included.

“If they are flagged before the trade is executed, disallowed realized losses as a result of a wash sale can have a huge impact on the decision-making process used in tax-aware investment strategies,” George Michaels, CEO at G2 said. He continues, “We have a thorough understanding of how to identify wash sales and other taxable events and believe in sharing that knowledge through our white papers”.

G2's Prospective Wash Sales white paper is available through the firm's cost basis advisory web page: [www.g2systemsllc.com/costbasisadvisorypage](http://www.g2systemsllc.com/costbasisadvisorypage). A resource on the complexities involved in calculating and analyzing taxable events, the page is updated regularly with new white papers that discuss real-world cost basis calculation challenges affecting fund administrators, prime brokers and their hedge fund clients. Upcoming white paper topics include: regulatory wash sales and substantially identical securities.

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](mailto:AspectusPR)  
[+1 646 274 1348](tel:+16462741348)/[+1 646 792 2109](tel:+16467922109)  
[G2@aspectuspr.com](mailto:G2@aspectuspr.com)