

# HOLLAND & KNIGHT LLP

195 Broadway  
New York, New York 10007-3189  
212-513-3200  
212-385-9010 Fax  
www.hklaw.com

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San Antonio	**Representative Office

**JEFFREY A. AROUH**  
212-513-3460

Internet  
Address: [jarouh@hklaw.com](mailto:jarouh@hklaw.com)

November 7, 2003

Francene DePrez, CRP  
Executive Vice President  
Region Manager  
Fidelity Residential Solutions  
808 Travis Street, Suite 1520  
Houston, Texas 77002

Dear Francene:

The fall meeting of the Employee Relocation Council, ERC's 2003 Global Work Force Symposium-Designing a New Business Community, recently took place in Atlanta, Georgia.

There were some interesting issues addressed at the Conference; some of them are new and some of them are longstanding subjects of discussion.

Among the ones you might find to be of interest are:

1. Transfer Taxes. In connection with home sale transactions, states remain active in modifying local state transfer tax laws to address relocation and similar transactions. Several states (including Hawaii, Georgia, Maine, Rhode Island, South Carolina, Vermont, New York, Maryland and California) have withholding statutes applicable to sales of real property by non residents. It is likely that the number of states that have these or similar statutes or regulations will increase with the passage of time. Application to particular transactions will likely have to be addressed on a case-by-case basis.

2. Insurance. Home owners' insurance is becoming an increasingly meaningful issue in connection with the operation and maintenance of home purchase programs. Increasing claims for property damage and liability coverage (mold, hurricane, fire, etc.) have increased the cost of insurance and have changed the manner in which insurance companies operate. The use of reports obtained from the Comprehensive Loss Underwriting Exchange (CLUE) has increased the cost of insurance and decreased its availability in some cases. Since CLUE reports contain information about both the owner and the property, there are issues that exist with respect to the availability, use and release of that information. It is possible that the unavailability of insurance may impact the ability to close an amended value or buyer value option transaction. This being the case, some companies have introduced the use of an insurance contingency into their relocation contracts. While this may make sense from an economic or practical standpoint, there is always the question of whether such a procedure may impact the tax status of the program. Again, case-by-case evaluation, based on the particular facts, is appropriate.

3. Privacy of Personal Information. Privacy issues continue to abound. With respect to international transfers, there has been and continues to be some concern with respect to contractor and employer compliance with the European Union Directive with respect to data privacy. In this area, the question seems to be whether there are in place procedures designed to ensure that adequate consent from the employee to the release of personal private information is obtained before the delivery of that information to subcontractors who will be performing services for or on behalf of the employee. On the domestic front, issues may exist with respect to the application of the Federal Trade Commission's Do Not Call regulations to the relocation process. Again, the adoption of procedures designed to ensure that unwanted and non-permitted solicitations are not made to the employee at home may be appropriate.

4. Amdahl and Relocation Program Tax Issues. Since the issuance of the Amdahl decision, the Internal Revenue Service has continued to audit home purchase relocation programs, with particular emphasis coming from the field offices. In order to address this issue, the Employee Relocation Council decided to meet with representatives of the National Office of the Internal Revenue Service to discuss the IRS' position. On November 3, 2003, Cris Collie, Pete Scott and Dick Mansfield, representing ERC, met with nine people from different arms of the IRS and two lawyers from the Treasury Department to discuss relocation home purchase programs. According to ERC's report of the meeting, representatives of the IRS indicated that they are willing to work with the relocation industry to develop and publish a current position with respect to Amdahl and the taxability of home purchase relocation programs. The IRS personnel expressed interest in the history and details of relocation home purchase programs and asked many

questions concerning procedures, risk reduction under such programs, holding periods, contractual provisions, etc. The ERC representatives explained the concerns generated by the Amdahl decision from both a theoretical and practical standpoint. ERC suggested that the problem might best be resolved if the IRS were to publish a revenue ruling with one or more sets of acceptable facts and, perhaps, a set of unacceptable facts. It was reported that there was general agreement that such a ruling would be a reasonable solution. The meeting concluded with ERC offering to provide any further data or analyses required by the IRS. On November 5, 2003, representatives of the IRS called to ask ERC to provide some general good and bad fact patterns along with analysis of what makes them good or bad. In addition, they asked for samples of common documents used in the industry, such as purchase and sale contract and addenda. It is anticipated that this information will be furnished within the next 30 days.

In general, it is the position of ERC that the procedures currently being followed in regular and amended value transactions, if followed correctly, result in a bona fide transfer of the burdens, risks and benefits of ownership from an employee to an employer (or a relocation company acting on its behalf) and that that transfer, and the separate transfer from the employer to a third party buyer, should be respected by the Internal Revenue Service. It remains to be seen whether the IRS is likely to contest that position.

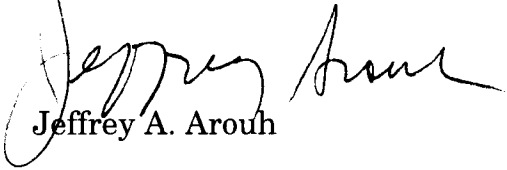
Based on current information, it is anticipated that the IRS will provide guidance on this subject within the next 12 to 18 months. As always, each company should consult with its own advisors in determining how best to proceed.

Other items of interest and discussion included a report with respect to taking title, recording deeds and conveyancing; issues relating to household goods transportation, including proposed legislation that might permit state attorneys general to prosecute moving companies under state fraud and deceptive practices laws; the Real Estate Settlement Procedures Act and the current proposals that might impact on the mortgage lending and settlement service industries; and the ethics of business conduct in the current economic environment.

To the extent any of these issues is of interest to you, it may be worth discussing these events and the potential impact on your business with your professional advisers.

In the meantime, I would like to extend to you my best wishes for the upcoming holiday season. I look forward to speaking with you again soon.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Arouh". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail on the "h".

Jeffrey A. Arouh