

Clients & Friends Memo

The Manny Ramirez Tax Lightbulb; Also (2 Ideas in 1 Memo) Putting Pay in Perspective

March 24, 2009 I am enraged! and outraged! plus morally reprehensible (did I say I am outraged!), that Manny Ramirez has inked another huge contract—this time with the Los Angeles Dodgers. For those of you who do not follow baseball, know this: Manny Ramirez was getting paid about \$20 million or so a year last season (which is nowhere near a year) by the BoSox. In the middle of a close pennant race, Manny decides to assault a team official, fake phony knee injuries in both his knees, and duck out of playing in crucial games until he forces a trade and costs the Sox the World Series.

My Idea. Lightbulb! Goes off! A lightbulb in my mind shining for all the world see my brain's idea! Why not a tax! Because the BoSox receive State Aid (all MLB sports teams do), Massachusetts Secretary of State Galvin, whom I would bet is a huge BoSox fan, should drop a big tax like a bombshell on Manny's salary, which is basically Stolen Money from State Revenues. And I'm not talking about some lame 90% tax either that lets Manny walk all the way (the guy wouldn't even run there on his fake bad knees) laughing out loud to the bank with \$2MM (10% of 20MM). Boston has no place for 90% ballplayers. I am looking for the big three digits (110%!).

A Lightbulb in New York. New York State may also use My Idea. Getting back some of that Stephon Marbury money would help the Knicks' salary cap and leave money on the side to pay to put solar panels in Madison Square Garden so as to cook "green" [environmentally conscious and friendly] hot dogs.

Alex, Meet Mario. Can you just imagine next year, one Sunday morning, Alex Rodriguez, reading the *New York Times*, goes out in his bathrobe to pick up the newspapers, in his fuzzy Yankee Slippers and robe that he got either for free or at a big discount, and there is a tax lien on his ill-gotten McMansions in his mailbox. Because Alex somehow "forgot" to withhold to pay the taxes that Mr. Cuomo is going to impose on him for letting down the Yankees (who receive major funding from the City and can't even make the playoffs paying ten times more in salary and "**bonuses**" than Tampa Bay). You say Mr. A.G. Cuomo can not put a lien on Alex's houses because the tax bill hasn't been passed yet by our lame legislature. That is a lame excuse, kind of like Alex's hitting in the big games in a Stadium built with taxpayer money (your taxpayer money and mine). If Alex isn't

getting himself prepared for the big tax bill, he needs to wake up and smell the coffee. (Maybe Madonna can brew him some.)

Other "Entertainment." For those of you who read a lot of legal stuff, I warn you that I am not putting entertainment in quotes because it is a defined term. It is because a lot of "movies" are so Booooooooooooooooooring. Even though tax-subsidized!

I don't know whom amongst us didn't say that really stinks (and stinks wasn't the word we used, but this is a family friendly legal memorandum) about Halloween IV. A complete derivative, like the kind that is always blowing up Warren Buffet. Plus, other tax subsidy rips offs: 10,000 years B.C. and the Watchmen. Make those guys pay back stolen taxes.

Anyways, the tax system is completely messed up. Why should people get paid \$1MM to be a movie star and then pay no taxes plus get to choose between Angelina and Jennifer. I would completely be a movie star for free especially if it was something like Halloween 5, but actually scary.

Whereas¹ they would have to pay me double to read these indentures people keep sending me to read. Booooooooooooooooooring.

A Good Offense. Also, if some team was coming to town that had a dirty player on it, or who talked too fast, or tried to show you up, hit them with the old 200% tax. I'm talking to you, Payton Manning. Double tax. Plus a tax on all products you advertise. And invalidate all the Master Cards.

Do you remember the time Arlen Specter, the Senator from the Steelers, tried to put a tax on the greatest Football Mind of all Time ("FMT"—it's not you anymore, Vince), Bill Belichick? But Teddy Kennedy, my main man from South Boston,² completely shot Arlen down. That should teach you a lesson, Arlen: Don't try to legislate with the big dogs!³

Whistleblower. If there is whistleblower money in this Lightbulb, that is cool too. I am sick of these guys getting away with not paying their taxes and like any doctor I should get paid by the insurance company for finding some medicine.

¹ This WHEREAS is a legal word which I thought meant "because," but "because" doesn't seem like it would fit here.

² Deeming, for this purpose, the compound in Hyannis Port to be part of South Boston.

³ Arlen, now you know why your constituents flash the "L" sign when you come into a room. It's not for the middle initial in Arlen. LOL! TK, feel better and keep the cause from all us Boston Dems.

Earned Income Tax Credit. Should go to guys like Dustin Pedroia: Still on his rookie contract and he is both RoY and MVP. Also to Amir Sadollah, the best ultimate Fighting Champion, ever. Plus, to good art that is not boring. Give an EITC to Beavis and Butthead: Speaking Truth to Power!

Salary Comparison. Lastly, the salaries that these guys make at the bank is ridiculous. By way of comparison, take a gander at Miguel's Unofficial Salary Cap Info for the New England Patriots. www.patscap.com.

As the data (singular datum) clearly shows, for not even \$500K, you can get someone to run down the field at about 30 MPH into other guys, who played Big Time College Football ("BTCF"), who are running upfield at about 30 MPH and weighing about 1400 lbs. per square inch (weight times velocity equals weight squared) and Bust the Wedge. Half those guys—on both sides— are playing with concussions and dead of brain damage and bad knees and busted appendixes at 50.

It's the Law of the Jungle meets the Law of Supply and Demand. If I can get someone to bust the wedge against 4 BTCF for \$500K, I can sure get someone to hand out toasters to deadbeats for a lot less than that.

Also, I cannot see where 25 Bank Presidents = 1 Tom Brady. Who do you think Gisele Bundchen would rather marry, 25 Bank Presidents, like on Big Love, or 1 Tom Brady.

Case Closed. Lightbulb Shining Brightly!

Steven Lofchie⁴

⁴ Steven Lofchie was raised in Boston, Massachusetts. He believes the land of Bill Russell, Bob Cousy, and Larry Bird; of Bill Belichick and Tom Brady and Rodney Harrison; of Bobby Orr; of Doug Flutie; of Bruno Sammartino; of Ted Williams and David Ortiz, must not be trounced on by Manny Ramirez: See Mr. Lofchie's article, *The Future of Financial Regulation: Meet the New Regulators, Better Than the Old Regulators?* (Jan. 2009), available at http://www.cwt.com/assets/client_friend/012209_Future_of_Financial_Regulation.pdf. He also writes a regular column for Global Custodian under the *nom-de-plume* [pen name in French] "Custodial Coward."