

## Financial Report

By Fred T. Snyder



### Understanding cost basis worth hassle

Special to Sentinel-Voice

Cost basis. What is it? You may have heard this term used many times, but if you are an investor, it is important to know what it means.

Cost basis is a means of measuring the value of a security or other assets for tax purposes. When you sell a security, you compare its selling price with your cost basis to determine whether you've realized a taxable gain or a tax-deductible loss. At times, determining cost basis is as simple as locating your original cost for security. In other cases, depending on how you acquired a security and what happened to it during the time you held it, determining cost basis could be more complicated.

Cost basis of securities you purchase. When you purchase a security, your cost basis is typically your total purchase cost — the price you paid for the security plus any commission and other costs associated with the purchase. For example, if you buy 100 shares of stock for \$10 per share and your brokerage firm charges you \$75 commission and transaction fees, your cost basis would be \$1,075 (100 shares x \$10 plus \$75) or \$10.75 per share.

Cost basis of securities you receive as gifts. When you receive securities as a gift, your cost basis is generally based on the donor's cost basis at the time he or she made the gift.

If you receive a gift of securities that has appreciated in value since the donor purchased them, you assume the donor's cost basis for the securities. Let's say your father owns 100 shares of stock with a total cost basis of \$1,000, or \$10 per share. He gives you the securities when the price for the securities is \$25 per share. Even though the securities have appreciated in value, your cost basis would be the same as your father's, \$10 per share.

On the other hand, suppose that the stock your father gives you has depreciated in value to \$5 per share on the day he gives you the securities. Then determining your cost basis would be a little difficult, because it would depend on what happens to the stock's price during the time you hold the stock.

Cost basis of securities you inherit. How to determine the cost basis on securities you have inherited generally depends on how you inherited them. The cost basis in this situation can be computed based on either the fair market value of the security the day the individual who gave the securities died or on the alternate valuation date six months after the date of death.

The fair market value method is established by taking the mean of the high and low for the security on the date of death. If the market is closed on the day of death, then the fair market value is determined by taking the average as of the previous day and next trading day.

The alternate valuation method is applied to all assets in the estate and is selected when there is an estate tax owed and it must be less on the alternate date than on the date of death to qualify.

Calculating your cost basis may sometimes feel confusing, but understanding the rules may go a long way toward helping you achieve your financial goals.

Fred T. Snyder, Investment Broker of A.G. Edwards & Sons, Inc. provided this article, member SPIC.

## Netnoir.Com marks fifth anniversary

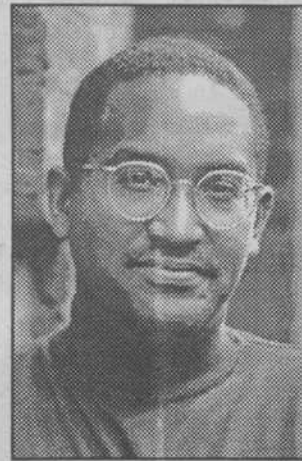
Lee Hubbard

Special to Sentinel-Voice  
SAN FRANCISCO (NNPA) — It is a quiet but hectic day at the main offices of Netnoir, in the South of Market area in San Francisco. It's been close to a week since E. David Ellington has been in the office, as he has been on the road conducting business.

But now that he is back, he has been swamped with things to do. But this isn't anything new for him.

Ellington is the visionary who realized the importance of the Internet, and then created an African-American outlet for this new medium. He co-founded Netnoir along with Malcolm Caselle in 1995, making it the first commercial Black online company, when it debuted on Juneteenth of that year.

While there were a few Black groups on-line, Netnoir established the African-American image on the Internet. Since its founding,



E. DAVID ELLINGTON

Netnoir has gone on to develop an e-commerce site for new online shoppers (www.Blackshopping.com), and a market research component which businesses use to study and access Internet trends among the African American community.

But before the success of Netnoir, Ellington had already achieved a modest degree of accomplishment. He is a learned scholar who has received a bachelor's degree in history from Adelphi Uni-

versity, a master's degree in comparative politics from Howard University, and a law degree from Georgetown University.

After graduating from Georgetown, he set up his own entertainment law practice in Los Angeles, where he practiced law for several years before founding Netnoir. While running Netnoir takes up a lot of his time, the 40-year-old is also the founder of Opnet (www.opnetwork.org), which provides job training for young adults who want to work within the new media industry.

Ellington is also the president of the Telecommunications Commission for the city of San Francisco, a western regional panelist for the Presidents Commission on White House Fellowships, and a member of the board of directors for the San Francisco Jazz festival.

I was able to talk to Ellington, in between his busy

schedule, so readers of Netnoir could look at the man behind the vision of the company, and find out what is going on with the Internet and how this relates to African-Americans.

**LH:** It has been five years since Netnoir was founded. Tell me how did Netnoir begin?

**EDE:** It started as an idea in March of 1994. An idea to create a Black online community. After pulling together partners by November 1994, we submitted it to AOL, and they agreed to fund us in November of 1994.

The business was set in January of 1995, and we had a media launch and party on May 22nd of 1995. On June 19th of 1995—Juneteenth—we launched on AOL, and on the Internet. That made us the first Black Internet company. We were the only kids on the block.

There were Blacks online. American Visions (See Netnoir.Com, Page 7)

## BroadcastURBAN.com hits 100-station milestone

WASHINGTON, D.C. — BroadcastURBAN.com, BroadcastAMERICA.com's fast growing channel for streaming urban radio stations, recently announced it has signed Blue Chip Broadcasting's 18 stations to its worldwide online network, bringing the total number of BroadcastURBAN.com stations to more than 100.

In addition to each Blue Chip station having its own streaming audio site, all 18 R&B, hip-hop, smooth jazz, urban pop, oldies and other stations will be featured on BroadcastURBAN.com and BroadcastAMERICA.com.

Headquartered in Cincinnati, Ohio, Blue Chip Broadcasting is one of America's largest black-owned radio broadcasting companies with leading stations in Cincinnati, Columbus, and Dayton, Ohio; Lexington and Louisville, Ky.; and Minneapolis, Minn.

"Blue Chip may be among

America's biggest black-owned radio companies, but they are second to none when it comes to their innovative abilities to seize the unlimited opportunities awaiting them on the Internet," said Jesse Wineberry, CEO of BroadcastURBAN.com. "Blue Chip and the nearly 100 other stations that have signed with us are joining together to create the world's first Urban Super Portal featuring a variety of Urban, Hip-Hop, R&B, Jazz, Gospel, Reggae and other music stations which listeners can hear from anywhere in the world."

Ross Love, president/CEO of Blue Chip Broadcasting, said, "This is, without question, an historic milestone for Blue Chip Broadcasting. We are very excited about streaming every one of our stations through BroadcastURBAN.com or BroadcastAMERICA.com. We will build our Internet

strategy on their streaming platform with the goal of positioning our company to profit from new audience, advertising and e-commerce opportunities that are only available on the World Wide Web."

Steven Taylor, Blue Chip's Manager of Information Technology, added, "Given our size, we are approached by different Internet companies every week. We have chosen the BroadcastURBAN.com because they can not only give

our listeners another way to access us, but can also help our stations gain new listeners from other U.S. cities and worldwide markets due to our inclusion in www.BroadcastURBAN.com, the urban radio music portal."

The Blue Chip stations include: WIZF-FM in Cincinnati; WCKX-FM, WXMG-FM, WCZZ-FM in Columbus; WGTZ-FM, WING-FM, WING-AM, WKSX-FM in Dayton, Ohio; WBTF-FM and WLZO-FM (See Urban, Page 7)



PRE-PAID LEGAL SERVICES®, INC.  
Providing quality legal care for  
America's families since 1972.

If you are interested in a full or part time marketing opportunity, or would like to know more about our legal services plans, call your Independent Associate today.  
Frederic L. Willis • (702) 360-6665 • (323) 299-6097

ABC  
Insurance Agency

BRANCH & ASSOCIATES  
Insurance & Financial Services

With 2 locations to serve the Las Vegas Valley

2041 N. Jones Blvd. #105  
944-5360

1700 Civic Center Drive  
649-1029

Auto • Home • Business • Life • Health

