

For Immediate Release

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Nationwide Exchange Services (NES) President and CEO Michael Halloran to Testify Before Congress to Protect Investor Choice on 1031 Tax-Deferred Exchanges

Proposed IRS Rule Would Devastate Small "Qualified Intermediary" Businesses.

Washington, DC, July 24, 2006 – President and CEO Michael Halloran of Nationwide Exchange Services (NES), a leading Qualified Intermediary for 1031 tax-deferred exchanges, will testify before Congress on Tuesday, July 25, 2006, at the invitation of the House Committee on Small Business on a proposed IRS rule that would limit investor choice and may force hundreds of small Qualified Intermediary companies out of business.

The hearing is being held by House Small Business Committee Chairman Donald Manzullo (R-IL) to explore the devastating impact a proposed Internal Revenue Service rule would have on hundreds of small Qualified Intermediary businesses in America. ***The full committee hearing will begin at 2 p.m. Tuesday, July 25, in Room 2360 of the Rayburn House Office Building.***

The IRS and Treasury Department released proposed regulations earlier this year that substantially change the rules governing taxation of escrow accounts, trusts and other funds used during deferred exchanges of like-kind property under Section 1031 of the Internal Revenue Code. Chairman Manzullo has stated that these proposed regulations would have "a devastating impact on the hundreds of small qualified intermediary businesses in this industry and increase costs for investors."

"NES applauds Chairman Manzullo for holding this hearing and for fighting for small Qualified Intermediary businesses across the country," said Halloran. "The proposed IRS changes run counter to the interests of individual consumers, commercial investors and corporations, and would severely limit investor choice when conducting 1031 tax-deferred exchanges. These changes are simply unnecessary and would put hundreds of small companies out of business, and lower tax revenue to the federal government."

In addition to Halloran, other hearing witnesses include Eric Solomon, Acting Deputy Assistant Secretary for Tax Policy, Deputy Assistant Secretary for the Regulatory Affairs Department of the Treasury; Donald L. Korb, Chief Counsel for the Internal Revenue Service; and Thomas M. Sullivan, Chief Counsel for Advocacy, Office of Advocacy, United States Small Business Administration, who will address the House Committee on the proposed IRS rule on Small Business.

For additional information on the hearing, please visit www.house.gov/smbiz.

NES is a national Qualified Intermediary providing an industry-leading suite of 1031 tax-deferred exchange products for individual investors through major US corporations. NES has set new standards in the industry that provide a set of customer-driven 1031 exchange processes that result in a level of service that is second to none. NES President and CEO Michael Halloran is quickly being recognized as a leader in the industry through his commitment to changing the paradigm in the 1031 industry for customer service levels, financial security and investor visibility. At NES, Halloran guides the strategic direction and delivers a track record of creating successful companies that leverage leading technologies and business processes to deliver superior customer value.

About Nationwide Exchange Services

Nationwide Exchange Services (NES – www.nationwide1031.com) is a leading Qualified Intermediary for 1031 tax-deferred exchanges. Since 1990, NES has conducted tens of thousands of successful 1031 exchange transactions across the nation. Today, NES applies advanced technologies to proven business processes to create new standards of customer-driven products and services for tax-deferred 1031 exchanges. NES has been awarded a SAS 70 Type II certification after an extensive audit of its processes and controls and, as a result, is uniquely qualified to serve the needs of companies that must comply with Section 404 of the Sarbanes-Oxley Act.