

Summer is shaping up to be an exciting season at MACCNY! We are looking forward to our upcoming Mets Outing and Annual Golf Outing! Our two most highly anticipated events filled with networking, camaraderie, and unforgettable summer fun with fellow industry professionals.



INSIDE THE ISSUE:

- A Message From Our President, Sean Libby
- The Financial Pitfalls of "Bill Through Office" Policies
- Apply for Our 2026 Scholarship Program!
- A Loophole When Doing Condo
- Save the Date: Our 47th Annual Golf Outing
- Member Spotlight: Lauren Larsen
- The Reciprocal Trust tax trap
- And more!

SAVE THE DATE

47TH ANNUAL GOLF OUTING

Monday, August 10, 2026
9AM at The Village Club
Lake Success, NY

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From the President

Dear MACC Members,

As we continue building momentum at MACCCNY, I'm proud to share several meaningful updates that reflect the strength and engagement of our organization.

Sean Libby

The TurboChyll Company

I'm pleased to report that our scholarship program has been updated to make the application process easier for the applicants. There are three \$1,000 scholarships available for HVAC students. This is an important step in supporting the next generation of professionals entering our industry. In addition, Suffolk Community college is offering FREE 120-hour heat pump classes, check it out.

It has been great to hear the positive feedback on both our newsletter and website. These platforms are becoming valuable tools for keeping members informed, connected, and engaged.

A highlight this past month was the work of our Education Committee, which visited the Merrick/Bellmore High School electrical class to speak with students about the wide range of opportunities available in the HVAC field. It was a great opportunity to show how critical electrical knowledge is within our trade and to help students better understand the career paths available to them. A special thank you to Robert McLaughlin, Marc Soffler, and Stu Ellert for bringing one of his technicians along to share real-world experience and answer students' questions. This type of outreach makes a lasting impact.

Beyond these initiatives, a significant amount of work is happening behind the scenes to plan upcoming events, including our Night at the Mets on June 12, and our 47th Annual Golf Outing on August 10. I look forward to seeing everyone there. Your board is committed to delivering value and meaningful experiences for our members.

As always, member involvement remains critical to our success. We are actively looking for individuals interested in joining our Membership/Programming, Education/Scholarship, and Events Committees. We also have three spots available on the Board of Directors. I encourage anyone who wants to play a more active role to step forward. Your ideas and participation help shape the future of MACCCNY.

Wishing everyone a safe and successful summer season.

Thank you for your continued support and commitment. Together, we are strengthening our organization and positioning MACCCNY for continued growth.

Sincerely,
Sean Libby
President MACCCNY



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Editor's Notes *By Anthony N. Carbone, Systematic Control Corp.*

The Financial Pitfalls of "Bill Through Office" Policies

"Bill through office" service tickets when an HVAC service technician arrives at a customer's home. My techs will investigate the call of a no heat, no air conditioning, water leak, and try to diagnose the situation called into our service dispatch team... but lately, I notice the tickets are all saying B.T.O. (Bill Through Office).

The homeowner wasn't home. A housekeeper only was there. The client is a long-time customer. The decision by our tech should only be authorized by the office dispatcher to allow a bill through office. A credit card should be on file to hold this privilege.

The issue is the accounts receivables goes through the roof and if you take 40-60 service calls per day and a large percentage becomes "bill through office", the issue is, on top of a lot of "money on the street" ...it becomes an accounting nightmare to collect and you are now waiting for the money and the accounting resources to generate bills.

I have found it provides clients with a chance to debate the cost of the repair. The cost of the parts becomes a conversation of how much the company is allowed to mark them up from their perspective.

I go into restaurants and if you dare to try to leave without paying, you will get arrested. You may not call over the Maître De to discuss why broccoli costs \$15.00 as a side dish or why a martini is \$21.00. My point is do not allow "bill through office" invoices unless you attach a surcharge for such a delay in payment. This only leads to debates and potential discounts just to get paid from your customers.

These situations lead to mitigated damages and endless conversations to resolve the issue that never should have been allowed to occur.

What are your thoughts on this billing situation?



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TAKE THE NEXT STEP WITH MACCNY — JOIN A COMMITTEE & SHARE YOUR EXPERIENCE



Sean Libby
MACCNY President

As we head into 2026, MACCNY is inviting members to take a more active role by joining one of our committees. This is a great opportunity to share your expertise, collaborate with fellow members, and help shape the future of our Chamber. Your voice and involvement truly make a difference.

MACCNY's continued growth is driven by the knowledge, commitment and collaboration of our members. Looking ahead to 2026, I invite you to get involved in helping shape the future of our association.

Connect with a MACCNY Committee

Committees are essential to the programs and initiatives that support HVAC professionals our MACCNY member involvement. Joining is a great way to:

- ✓ Build Industry Relationships
- ✓ Share Knowledge & Leadership
- ✓ Impact MACCNY Programs, Events, Education, and Increase Membership
- ✓ Contribute Valuable Ideas Content for Our MACCNY News

Our Committees:

Newsletter / Website / Social Media Committee
Membership / Programming Committee
Education / Scholarship Committee
Events Committee

Wherever your strengths are, your voice can make a meaningful impact. If you'd like to be more involved, simply email lara@associationdev.com to get connected.

Your Feedback Matters

We are inviting all our MACCNY Members to Share Their Testimonials. Your insight will help highlight the value MACCNY brings to you, your company and the HVAC industry as a whole.

If MACCNY has influenced your professional growth, expanded your network, or supported your business operations, we'd appreciate you sharing your experience and perspective with both our current & prospective members.

At each membership meeting we will be giving you the opportunity to share your testimonial. Or you can email it directly to lara@associationdev.com.

Thank you for your continued support and involvement. Your participation helps MACCNY thrive and advance the standard of excellence for HVAC professionals across our region.

Statement from Stuart S. Zisholtz, Esq.

A LOOPHOLE WHEN DOING CONDO

Many contractors perform work in condominium buildings. The contractor is hired by the Board of Managers to perform work throughout the common elements in the building. Beware, the Lien Law, as well as the Real Property Law, do not protect the contractors sufficiently in order to secure payment.

Real Property Law Section 339-L prevents a contractor from filing a mechanic's lien when it is engaged by the Board of Managers to perform work in the common elements. The common elements are defined as the land in all other areas of the property that are not expressly part of the individual units.

A condominium unit is usually owned by an individual unit owner. Each individual unit is treated as a separate parcel of real property. The condominium Purchaser acquires title to his/her unit and also acquires an allocable share of the common elements.

While work performed on an individual unit is lienable, the common elements are not lienable. Moreover, a blanket lien on the whole building is not permissible. For instance, if you were performing electrical work throughout a recently converted condominium building, you can only lien the unsold units. You cannot file a blanket lien on every unit in the building. Once units have been sold, they cannot be liened unless you are performing work directly for the new unit owner.

Many times, the only recourse a contractor has is to pursue a claim against the condominium and Board of Managers for breach of contract and diversion of trust funds.

If a mechanic's lien is filed on the condominiums common elements, the mechanic's lien will be vacated. While this is a quirk in the Lien Law, the reality is that you must know, in advance, that your lien rights are worthless when performing work directly for the condominium.

Never let your lien time run out!!

For a free copy of a pamphlet pertaining to mechanic's liens and payment bond claims, kindly contact me.

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CALENDAR | 2026

**JAN
15**

**Board Orientation
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4 – 8 PM**

**FEB
12**

**Membership MTG
The Halston
5:30– 8 PM**

**APR
9**

**Membership MTG
The Halston
5:30– 8 PM**

**JUN
12**

**Mets Outing
Citi Field
7 PM**

**AUG
10**

**Golf Outing
Village Club
9 AM**

**Oct
8**

**Membership MTG
The Halston
5:30– 8 PM**

**NOV
5**

**Membership MTG
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**DEC
3**

**Holiday Party
Rare 650
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Spotlight: Lauren Larsen, Owner of Power Cooling, Inc.

Walk into just about any building in Manhattan and there's a decent chance the company keeping the chillers running is led by Lauren Larsen, owner of Power Cooling, Inc. Some may be surprised to hear that a woman holds such a powerful position in a male-dominated industry, but Lauren says it never phased her. In fact, she jokes that it sometimes works in her favor. When she walks into a boardroom full of men, the energy shifts – a little less posturing, a little more attention. She never saw her gender as a hurdle; if anything, it gave her a different kind of edge.



Power Cooling was founded by Lauren's father, Lloyd, in 1966. Growing up, she split her time between school and the shop. Lauren always imagined her obsession with clothes and shoes would lead her into the fashion world, but in the end, she chose a more practical path, but with style! She went to Wagner College for her undergrad business degree and began working full-time at the company. She completed a master's degree in marketing from Wagner as well two years later.

Lauren learned every aspect of the business working side-by-side with her dad, and when he retired, she took over. Forty years later, she's still there, and the company remains one of the few in New York that will service or install just about anything a building needs. While most companies specialize, her crew tackles the chiller plants and towers, the old equipment that no one wants to service anymore, the kind of work that takes true experience. She's rigged equipment underground, handled the largest rig in the city back in the '90's and managed some of the most difficult engineered projects on time and on budget. She's as likely to be hands-on at a job site as she is at running the business.

According to Lauren, she is one of the only women in New York City running a full service/mechanical contracting company like this. You'd expect stories of pushback or disrespect, she swears she never noticed any. "I hadn't realized I was a woman, honestly," she says. "It's had absolutely zero effect." If anything, she finds her presence softens the rough edges of a male-dominated room. She can diffuse tension and make conversations more productive, egos are kept in check, and the focus stays on the work.

Lauren's steady personality carries over into the way she guides her company. Her leadership style is calm, intuitive, and family first. Loyalty is everything, and she credits her long-service team for the company's reputation. Some employees have been with her for decades, many 30 to 40 years. "Without any of them, I'm nothing. We're like a family." She's also big on psychology – believing every business owner needs to be intuitive with their staff as well as the clients. She's proudest of the mentorship culture she's built. They try to cross-train everyone, field and office, and make sure the knowledge is passed down. There's even a classroom at the company where they train, not just their own people but customers as well.

Work-life balance is a high priority. Everyone goes home on time, spends time with family, and comes back fresh. Lauren says if people are happy at home, they're better at work. She believes in forgiveness and moving on from differences of opinions. "Business is business," and "Each day is a new beginning."

What keeps Lauren coming back every day, is the unpredictability – the fact that no two days are the same. To her, each job is a puzzle, every project something new. She thrives in crisis and enjoys saving the day by coming to the rescue of a customer. "We respond, we solve problems, and we do it right." On a hot summer day, when a building goes down, she knows her team is absolutely irreplaceable. "If you save the day, you've got a customer for life."

Lauren lives in Long Island City with her husband, Paul who's also in the mechanical contracting business and – yes, a competitor. Their dynamic is one of mutual respect and occasional playful rivalry. "We compete, but it's always friendly. However, I do like to win," she laughs. Balancing business competition with marriage hasn't always been easy, but their shared understanding of the industry has been a pillar for both

On the personal side, she raised three daughters: Kristina, Kariana and Kathryn. There were years when the balancing act was extreme; Lauren went back to work two weeks after the twins were born, signing purchase orders from a hospital bed. Years later, each of her girls forged their own path. Kristina joined her mom handling all the company's payables. Lauren gave her the opportunity to work remotely so she could be home with her two daughters, an opportunity Lauren herself never had. Kariana became a mechanical engineer and Kathryn, the youngest, lives out in Montana, where she and her husband run a mission-driven café, raising their own family and caring for foster children.

Lauren joined MACC back in the late '80's and became the first and only woman president in New York. "MACC isn't just about networking – it is about community. Over the years, we've tackled big issues together, like the battle against outrageous parking tickets that cost tradespeople thousands each week. "We didn't solve everything, but coming together for a cause gave us strength and brought us closer," said Lauren. Those monthly meetings became a hub of friendship, respect, and shared knowledge. Lauren has friends from MACC that she's known for over 30 years and can still call for advice anytime. "We respect each other's businesses because we know the costs, the insurance, the challenges, it's not a cutthroat scene – there's enough work in New York for everyone. We don't need to step on each other's toes," explains Lauren.

Looking ahead, Lauren has no plans to retire anytime soon, but when she does, she envisions doing mission work with her not for profit Shepherd's Watch. The idea is subsidized food-based ministry for people with limited funds and single parent families that really could use a lunch or dinner out. People from all walks of life can come and have a really great meal. "It's about giving joy – a short break in their day through food, because it brings such pleasure!"

Lauren never set out to be a trailblazer or a symbol of change, but by simply showing up, doing the work, and leading with heart, she's carved a space for herself – and for women like her – in an industry that could be rough. Her story proves that sometimes the most powerful influence comes from quietly breaking the mold and just getting the job done.



The Reciprocal Trust tax trap

A husband and wife would each like to purchase life insurance on their own lives. To avoid taxation of the death benefit in their estates, they each create identical Irrevocable Life Insurance Trusts (ILITs) naming each other beneficiary, and their children residual beneficiaries, and have the ILITs purchase the policies. The death benefit should not be included in their respective estates for estate tax purposes — after all, the policy is in an ILIT, right?

Wrong. According to the IRS, they have created reciprocal trusts. The trusts will be uncrossed and the life insurance death benefit will be included in their respective estates.

The history of the Reciprocal Trust Doctrine

Originally, the reciprocal trust doctrine required evidence of a *quid pro quo* in the creation of the trusts for them to be considered reciprocal. In the 1940 case of *Lehman v. Commissioner*,¹ the decedent and his brother had each created two trusts for the benefit of each other and their respective children. They funded each trust with the same amounts of stocks and bonds. The court found that the decedent's creation of the two trusts for his brother and his brother's children was a *quid pro quo* and in consideration for the trusts created by the brother for the decedent and his children. Applying common law, the court held that where the decedent, in furtherance of a *quid pro quo*, had caused another to make a transfer of property to a trust for the decedent's enjoyment, the decedent would be treated as the grantor of the trust that had been created for him, resulting in the inclusion of the trusts created by his brother in the decedent's gross estate for estate tax purposes.

In subsequent cases, courts followed the *Lehman* decision. In order for the reciprocal trust doctrine to apply, the trusts in question had to have been created in consideration for one another. Each case would be decided on a facts and circumstances basis. The remedy for reciprocal trusts was to "uncross the trusts" and treat the taxpayer as the creator of the trust for his or her own benefit.

The 1969 US Supreme Court case of *U.S. v. Estate of Grace*,² became the seminal case on the reciprocal trust doctrine. On December 15, 1931, Mr. Grace created a trust naming himself and his nephew as trustees, directing them to pay the income of the trust to Mrs. Grace during



her lifetime, and such amounts of principal they deemed appropriate. Mrs. Grace had a limited power of appointment to appoint the property remaining in the trust at her death among her husband and their children. It was funded with securities and real property. Two weeks later, Mrs. Grace created a trust which was a mirror image of her husband's trust. On the death of Mrs. Grace, the IRS asserted that the trusts were reciprocal, and assessed an estate deficiency to the extent of their mutual value.

The Court of Claims was divided on the case, with the majority holding that the critical factor was whether the trusts had been created on a *quid pro quo* basis, and determined that they were not. The dissenting opinion contended that once an interrelationship was determined to exist between the trusts, the relevant factor was whether the trusts created by the settlors placed each other in approximately the same economic position they would have been in if each had created his/her own trust with himself/herself as the beneficiary. The Supreme Court adopted this approach. The reciprocal trust doctrine will apply if the trusts are interrelated, and that the arrangement, to the extent of mutual value, leaves the settlors in approximately the same economic position as they would have been had they created trusts naming themselves as life beneficiaries. Were the trusts interrelated? The court found that they were since they (1) had substantially identical terms, (2) were created at the same time and (3) were part of a single transaction.

How to avoid the Reciprocal Trust Doctrine?

How does one avoid the application of the doctrine? Many attorneys take the approach that since there is no clearly defined "safe harbor" as to what constitutes a sufficient difference between the two trusts for "interrelated" purposes and application of the doctrine, it is too early to attempt to challenge the court's decision with some creative distinctions.

Following decisions since *Grace*, and occasional side remarks by the courts, attorneys have set forth means of avoiding the application of the reciprocal trust doctrine, some of which include:

1. Use of different trustees or co-trustees.
2. Use of different distribution standards in each trust.
3. Give one spouse trustee the broadest Power of Appointment and the other a special Power of Appointment exercisable only to benefit a narrower group of possible appointees.
4. Do not have the husband and wife end up in the same economic position.
5. Have different beneficiaries

6. Create the trusts in different states.
7. Give one spouse a "5 by 5" power but not the other.
8. Create different vesting provisions for each trust.
9. Give the beneficiaries different access or control of the trust assets
10. Create the trusts at different times. What is adequate? 6, 12, 15 months apart?
11. Contribute different assets to each trust

When you're creating your estate plan with the help of an attorney, a competent attorney will always have this doctrine in mind. So, if you ever wonder why your spouse's trust is a little different, it might very well be because of this doctrine. The difference could possibly mean your being caught in the trap — and an unplanned for estate tax bill — or not.

Please consult with your Guardian financial professional if you have any questions concerning this document.



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1 Lehman v. Comm'r., 109 F.2d 99, cert denied 310 U.S. 637 (1940)

2 US v. Estate of Grace, 395 U.S. 316 (1969)

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