



Acts 20/22 adopters tout benefits of tax incentives



Justin M. Sullivan,
president of Auramet
International LLC

Early adopter Justin M. Sullivan traded Stamford, Conn., for Old San Juan in December 2012. Initially, he came to Puerto Rico in search of tax breaks, but then fell in love with the laid back ways and culture of San Juan's Old City, where he lives and runs Auramet's local subsidiary. This operation employs four people, but he plans to expand to "eight or 10 people" by the end of the year. As part of the deal, Auramet has \$50 million on deposit in local banks, Sullivan said.

Auramet is a vertically integrated financier of metal throughout the world, and does everything from lending money to mines to purchasing/reselling vast amounts of base and precious metals. In 2012, Auramet had revenue of \$9 billion, which included buying and selling more than 4 million ounces of gold and 60 million ounces of silver.

"I have hired some smart people. I have had no problems finding lawyers, accountants, etc. The best thing about Puerto Rico is definitely its people," Sullivan said.

Besides schmoozing or doing yoga with neighbors in Old San Juan, Sullivan likes to scuba dive in Vieques and Culebra, where he recently bought a second home.



Chris Cannon,
president & founding
partner of Zurixx LLC

"The talent pool here is very, very good. I was really surprised by the quality of the people in Puerto Rico," said Chris Cannon, president & founding partner of Zurixx LLC, who moved to Puerto Rico with his wife and four children last August.

Also moving along with the family was Zurixx—an educational-training services business that teaches people how to make money selling real estate—that is now based in Dorado. The company employs nine people in Puerto Rico and expects to grow to 30 local employees.

Zurixx conducts 10 educational seminars a week throughout the U.S. and boasts \$65 million a year in revenue, which Cannon projects will increase to \$120 million this year. Among its clients, Zurixx represents and provides event support for Tarek & Christina El Moussa from HGTV's hit show, "Flip or Flop."

"The environment here is ripe for growth," Cannon said.

"It's been really fun. Everyone is adapting well. Rather than suffer the cold in the Northeast, we went surfing at Christmas. What's not to like about that?"



Frank Holder,
FTI Consulting regional
chairman for Latin America

"I moved to test out the benefits to see if we could recommend them to our company's clients. Now that's putting your money where your mouth is," said Frank Holder, chairman for the Latin America region for FTI Consulting, an international business advisory firm.

By moving his base from Miami to Puerto Rico, Holder stands to save \$2 million a year, he said. To date, FTI's local subsidiary employs six people, but this number should increase to 20 once FTI's Forensic & Litigation Consulting segment is in full operation here.

"People are great and very open. My wife and I go to a lot of social activities, where we have a lot of synergies with other people and companies operating here," said Holder, who lives with his wife, Susan Hahn, an immigration lawyer, in Dorado Beach East.

Among the good things about Puerto Rico are the island's easy air access to FTI's offices throughout the world and Puerto Rico's integration into the U.S. postal system, which makes ferrying documents back and forth as easy as in Miami.



David Runge,
partner of Tax Law
Solutions LLC

While some wives and girlfriends may be skittish about moving, David Runge's girlfriend, Kim Wermuth, is loving life in the tropics.

Casual is the operative word in the Colorado natives' new lifestyle.

"We have made a great group of friends, and our favorite thing to do is go out with them to restaurants and explore new places.

"Business is going really well, so much that we had to move to a bigger office," Wermuth said.

TLS set up shop in November 2011 with the aim of getting stateside businesses to use Act 20 to reduce their taxes on the U.S. mainland.

The tax and legal advisory firm now employs 18 people in Puerto Rico and closed 2014 with \$30 million in locally generated revenue, which is projected to grow to \$42 million for this year.

Today, TLS advises more than 5,000 affluent investors, eight of whom have moved to the island to further benefit from the Acts 20/22 tax breaks.



Stuart Sherman,
CEO & co-founder of SM
Marketing International

Veteran Internet marketer Stuart Sherman, co-founder of SM Marketing, found out about Acts 20/22 while doing—what else—research on the Internet. Six months ago, he opened up a local subsidiary of SM Marketing, which employs three people.

Now the company has offices in New York, India and Puerto Rico.

"The language was a big deal, and the fact that mostly everyone is bilingual was a big pull for us," said Sherman, who is among the wave of Internet entrepreneurs now using local tax breaks to strengthen their businesses.

"We were surprised at the level of education of people here. Puerto Rico is an easy place to get to and it's very easy to be here," Sherman said.

SM Marketing, with \$7 million in annual revenue, specializes in everything Web—providing pay-per-click operations, search-engine optimization and search-engine marketing to many high-end companies.

—Compiled by CB Senior Reporter
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