



Tax Strategies for Corporate Acquisitions, Dispositions, Spin-Offs, Joint Ventures, Financings, Reorganizations & Restructurings 2002

Beverly Hilton - Beverly Hills, CA, Oct. 9 - 11, 2002

Related Offerings:

Tax Strategies for Corporate Acquisitions, Dispositions, Spin-Offs, Joint Ventures, Financings, Reorganizations & Restructurings 2002 - Sheraton New York - NY - New York, NY (in Programs)

Chair

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R David Wheat, *Thompson & Knight LLP*, Dallas, TX

Gary B. Wilcox, *IRS*, Washington, DC

B. J. Williams, *Internal Revenue Service*, Washington, DC

Philip B. Wright, *Bryan Cave LLP*, Saint Louis, MO

Mark L. Yecies, *Ernst & Young LLP*, Washington, DC

What You Will Learn

- Overview and Strategies in Representing Sellers
- Selected Seller and Buyer Issues: Drafting the Acquisition Agreement, Financial Accounting Considerations, and State and Local Tax Issues
- Compensation Strategies in M&A Transactions
- Tax Accounting Issues in Mergers and Acquisitions
- The Tax Due Diligence Process and Negotiating Tax Provisions in Acquisition Agreements
- Section 338(h)(10) Strategies
- Contingent Liabilities in Acquisition Transactions
- Corporate Tax Strategies and Techniques Using Partnerships and LLCs
- Structuring Buyouts/Venture Capital Deals
- Tax-Free and Partially Tax-Free Acquisitive Reorganizations
- Divisive Strategies - Spin-Offs, Split-Offs and Split-Ups
- "The IRS Speaks" - A Panel Chaired by the Deputy Chief Counsel (Technical) and Featuring the Associate Chief Counsels of Corporate, of Passthroughs and Special Industries and of International
- Selected Current Issues in M&A
- Strategies for Financially Troubled Businesses and Other Loss Companies
- Strategies and Issues for International Acquisitions
- "Cross-Border" Mergers
- Interesting Corporate Transactions of the Past Year
- Issues and Strategies in Corporate Financings and Refinancings
- Interest Rate and Equity Swaps and Other Financial Products and Transactions
- Exploring the Limits of the Evolving Economic Substance and Business Purpose Doctrine
- Reporting on Your Clients: Ethical and Practice Issues Raised by Recent (Proposed) Tax Shelter Regulations and Legislation
- Treasury Luncheon Speaker
- Consolidated Return Planning and Strategies Under the New Regulations
 - Intercompany Transactions
 - Investment Adjustments
 - Loss Disallowance, Including Effects of *Rite Aid* and New Section 337(d) Regulations
 - SRLY and Consolidated Section 382
 - Making and Breaking Affiliation
 - Utilizing LLCs in a Consolidated Return Context

Why Should You Attend

This program will focus on the tax issues presented by the entire spectrum of modern, major corporate transactions. Evolving techniques for structuring, financing, and refinancing corporate turnovers and other activities will be emphasized, with particular attention to consolidated return issues, the role of new financial products, and to strategies for financially troubled businesses.

Program Schedule

Please plan to arrive sufficiently in advance of the conference start time to register. A continental breakfast will be available upon your arrival. Lunch will be served each day.

First Day: 8:45 a.m. - 6:00 p.m.

Morning Session: 8:45 a.m. - 2:00 p.m.

8:45 **Overview and Strategies in Representing Sellers**

Stock sale/asset sale strategies; nonliquidation format; deferral techniques; National Starch/Unilever; Tele-Communication/Liberty Media; MCA/Matsushita; Times Mirror/Matthew Bender/Reed Elsevier; effects of Section 351(g) and amended Section 351(e); combined sale/ redemption; corporate inversion, recapitalization, and other techniques; Seagram/DuPont and its aftermath; Petrie Stores/Toys "R" Us and its aftermath; special securities, monetization techniques; contingent payments, convertibles, putables, exchangeables; installment treatment; open transaction treatment; legislative proposals and IRS Business Plan topics.

Louis S. Freeman

10:00 **Selected Seller and Buyer Issues, Including Drafting the Acquisition Agreement, Accounting Considerations, and State and Local Tax Issues**

Key tax issues in drafting of agreements; allocation issues; tax sharing agreement considerations and concerns and opportunities upon acquisition of a subsidiary of a group; financial accounting concerns; reporting requirements; state and local tax considerations; legislative proposals and IRS Business Plan topics.

Stuart J. Offer, Stephen D. Rose

11:00 **Break**

11:15 **Dealing with Restricted Stock, Stock Options and Executive Compensation in Corporate M&A Transactions**

Impact of unvested restricted stock on tax-free qualification of corporate reorganizations and Section 351 transactions; strategies for dealing with outstanding compensatory stock options; new executive compensation techniques for companies in the technology sector and other industries.

Kathleen L. Ferrell, Robert H. "Buff" Miller

12:00 **Tax Accounting Issues in Mergers and Acquisitions**

Amortization of intangibles; INDOPCO issues; Section 162(k) and redemptions; break-up fees; evolving time value of money strategies and issues; other tax accounting concerns; legislative proposals and IRS Business Plan topics.

Glenn R. Carrington, C. Ellen MacNeil

12:45 "Picnic Lunch" Program: Tax Due Diligence Process and Negotiating and Drafting Tax Provisions in Acquisition Agreements

James M. Lynch, Stuart J.

2:00 Break

Afternoon Session: 2:15 p.m. - 6:00 p.m.

2:15 Section 338(h)(10) Strategies

Use of the election under Section 338(h)(10); concerns and traps; opportunities; regulations under Sections 1060 and 338; Section 338(h)(10) and IPOs; the final selectivity regulations; bifurcated purchase of part assets and part stock; selectivity through other devices; unresolved allocation issues; treatment of contingent consideration and other special issues.

Mark J. Silverman, Mark L. Yecies

3:30 Contingent Liabilities in Acquisition Transactions

Assumption and payment of contingent liabilities in taxable asset acquisitions (Section 1060 and Section 338[h][10]), stock acquisitions, and tax-free transactions; basis or deduction to buyer; gain (and offsetting deduction) to seller; timing issues; suggested solutions.

Mark L. Yecies, Mark J. Silverman

4:15 Break

4:30 Corporate Tax Strategies and Techniques Using Partnerships, LLCs and Other Strategic Alliances

Use of partnerships and other pass-through entities as the joint venture format or the acquiring entity; the Arco/Arch Coal strategy; treatment of Section 197 intangibles in a partnership context; the Check-the-Box regulations; single-member LLCs; opportunities, problems and issues on formation, during the operating life and on wind up; exit strategies; special allocation strategies.

Terence Floyd Cuff, William P. Wasserman

Second Day: 7:00 a.m. - 6:00 p.m.

Morning Session: 7:00 a.m. - 1:30 p.m.

7:00 Corporate Transactions (Continental Breakfast)

Participate in a discussion of audience-selected corporate transactions.

Mark J. Silverman

8:00 Structuring Buyouts/Venture Capital Deals

Form of LBOs; asset acquisitions, recapitalizations, holding companies; structuring layers of debt and equity; tax issues in financing techniques, including debt/equity, Section 279, original issue discount; venture capital preferred stock; PIK preferred as plain vanilla; the effects of amendments to Section 305(c) and Section 305 regulations; strategies in representing management; net exercise warrants.

David R. Gerson, Glen A. Kohl

9:00 **Break**

9:15 **Tax-Free and Partially Tax-Free Acquisitive Reorganizations**

Recent use of tax-free and partially tax-free strategies; observations concerning structuring reorganizations in a world without *General Utilities*; current issues in the reorganization area and illustrative case studies; multi-step reorganizations and effects of recent revenue rulings; downstream mergers and group inversions; issues involving control and continuity; effects of COBE and COI regulations; reorganizations within a consolidated group; *Yoc Heating* developments; the "substantially all" requirement; the *Bausch & Lomb* regulations; triangular reorganization basis regulations; avoiding reorganization treatment; legislative proposals and IRS Business Plan topics.

John J. Clair, Jr., Lewis R. Steinberg, Stephen E. Wells, Jeffrey H. Paravano (Senior Advisor to the Assistant Secretary [Tax Policy], Department of the Treasury)

10:30 **Divisive Strategies - Spin-Offs and Synthetic Spin-Offs**

Tax-free spin-offs, split-offs and split-ups under Section 355; recent examples of divisive transactions; developing IRS/Treasury views on current topical issues; business purpose; effects of leveraging up; aftermath of Viacom; obsoleting of Rev. Rul. 96-30; difficult interpretive and practical problems raised by Sections 355(d) and (e); regulations under Sections 355(d) and (e); combining spin-offs and acquisitive reorganizations after the 1997 Act amendments: surrogates for Morris Trust; legislative proposals and IRS Business Plan topics.

Lewis R. Steinberg, Stephen E. Wells, Thomas F. Wessel, Eric Solomon (Deputy Assistant Secretary [Regulatory Affairs], Department of the Treasury)

11:45 **"Picnic Lunch" Program: "The IRS Speaks"**

Gary B. Wilcox (Deputy Chief Counsel [Technical]), William D. Alexander (Associate Chief Counsel [Corporate]), Heather C. Maloy (Associate Chief Counsel [Passthroughs and Special Industries]), John M. Staples (Associate Chief Counsel [International])

Afternoon Session: 1:30 p.m. - 6:00 p.m.

1:30 **Selected Current Issues in M&A**

Philip J. Levine, Steven K. Matthias, Deborah L. Paul

2:30 **Tax Strategies for Financially Troubled Businesses and Other Loss Companies**

Debt for debt exchanges and debt modification; effect of *Cottage Savings* and final Section 1001 regulations; issues under the Section 382 regulations; the proposed, temporary and final regulations; effects of options, convertibles, purchase contracts, buy-sell arrangements; strategies for acquirers with losses; strategies for targets with losses; creeping acquisitions of targets coupled with alienability limiting devices; interplay between Section 382 and Section 384.

Andrew N. Berg, Karen Gilbreath, Eric Solomon (Deputy Assistant Secretary [Regulatory Affairs], Department of the Treasury)

3:45 Break

4:00 Strategies and Issues for International Acquisitions

Taxable acquisition of U.S.-owned foreign corporations - U.S. sellers treatment; taxable acquisition of foreign corporations - U.S. purchasers treatment; taxable acquisition of U.S. corporations - foreign purchasers treatment; interest-stripping; impact of the interest allocation rules; foreign targets with U.S. subsidiaries; Section 338 election and Subpart F income; use of partnerships; use of hybrid entities and hybrid securities in the international context.

James P. Fuller

4:45 Cross-Border Mergers

Mergers with U.S. parent companies; mergers with foreign parent companies; dual-holding company and DINC structures; exchangeable share structures; legislative proposals and IRS Business Plan topics.

Paul W. Oosterhuis, Willard B. Taylor, Barbara M. Angus (International Tax Counsel, Department of the Treasury)

Third Day: 8:00 a.m. - 5:00 p.m.

Morning Session: 8:00 a.m. - 1:45 p.m.

8:00 Continental Breakfast Program: Interesting Transactions of the Past Year

Linda E. Carlisle, Philip B. Wright, R. David Wheat

9:15 Interest Rate and Equity Swaps and Other Financial Products and Transactions

Tax strategies for interest rate swaps, equity swaps and other notional principal contracts; use of caps, floors, collars, options, forwards and other current financial transactions including DECS, TRUPS, STRYPES, PEPS, PERCS, LYONS, FELINE PRIDES, CHIPS, YEELDS, SAILS, ACES, ELKS, PRIDES, and PRIZES; contingent convertible zeros, recent regulatory developments; legislative proposals.

Erika W. Nijenhuis, Matthew A. Stevens (Special Counsel to the Chief Counsel, Internal Revenue Service)

10:15 **Break**

10:30 **Exploring the Limits of the Evolving Economic Substance and Business Purpose Doctrine**

Reporting on Clients: Ethical and Practice Issues Raised by Recent (Proposed) Tax Shelter Regulations and Legislation

Recent cases and Notices; the IRS litigation position; when to apply which test; application to some tax planning while other tax planning requires neither substance nor business purpose; how much substance is enough; effects of factual changes on ACM-type and other such transactions; bifurcation of transactions; relative benefits testing; expansion of anti-tax shelter positions into ordinary tax planning; recent (proposed) tax shelter regulations and legislation; implications, effects, ethical and practice issues.

Kevin M. Keyes, Richard M. Lipton, R.J. Ruble, B. John Williams, Jr. (Chief Counsel, Internal Revenue Service)

12:00 **"Treasury" Luncheon Program: Keynote Speaker**

Eric Solomon, Deputy Assistant Secretary (Regulatory Affairs)

1:45 **Break**

Afternoon Session: 2:00 p.m. - 5:00 p.m.

2:00 **Consolidated Return Planning and Strategies Under the New Regulations**

The final intercompany transaction regulations; the final investment adjustment, earnings and profits and related regulations, the loss disallowance regulations; *Rite Aid*; new Section 337(d) regulations, implications and aftermath; reverse acquisitions; consolidated Section 382 limitations; SRLY regulations; final Section 1504(a)(5) regulations; making and breaking affiliation; planning for the acquisition or disposition of stock in light of recent consolidated return regulations; use of single-member LLCs in a consolidated return context; IRS Business Plan topics.

Danni Dunn, Elliot G. Freier, Don Leatherman, Patricia W. Pellervo, William D. Alexander (Associate Chief Counsel [Corporate], Internal Revenue Service)

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Seminar Location and Hotel Accommodations

The Beverly Hilton, 9876 Wilshire Boulevard, Beverly Hills, California 90210. (310) 274-7777. Please contact The Global Executive for room rates.

Order Information

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