

ATTORNEYS IN THIS PRACTICE

Paulina Spencer
Kenneth E. Werner

RELATED PRACTICES

Corporate and Business Transactions
Derivatives
Distressed Debt and Claims Trading
Investment Management
Lending Transactions
Mergers and Acquisitions
Private Equity
Restructuring and Bankruptcy
Securities Transactions

Tax

We routinely advise our clients in making investments and structuring transactions such as acquisitions, sales and mergers in a tax-efficient manner. We often address the special tax issues affecting tax-exempt and offshore investors. We have particular experience in the tax aspects of international transactions, where we often work with tax advisors in other jurisdictions to maximize overall tax efficiency.

In connection with restructuring transactions, we advise our clients regarding the possible impact of cancellation-of-indebtedness income or reduction of tax attributes. We also counsel clients on the restrictions governing the use of net operating loss carryovers following a bankruptcy or other restructuring.

We assist our clients in creating tax-advantaged compensation arrangements, whether the employer is a corporation or an entity taxed as a partnership.

We have experience representing clients involved in tax controversies with federal and state authorities, at both administrative and litigation levels.

EXPERIENCE

Matters on which we have worked include representations of or advice to:

- Numerous funds in creating tax-efficient structures for investments involving U.S. and other parties and multiple foreign jurisdictions.
- Offshore investors concerning strategies to avoid income effectively connected with a U.S. trade or business.
- Tax-exempt investors concerning strategies to avoid unrelated business taxable income.
- Employers and employees in the design of tax-efficient compensation structures.
- A tax advisor in connection with an IRS investigation of tax-shelter opinions.

PUBLICATIONS

"Foreign Investment Funds Must Consider FATCA Compliance to Avoid U.S. Withholding Tax" by Kenneth Werner

"A Loan Trader's Guide to Commercial Real Estate Loans" by Jon Kibbe, Paul B. Haskel, Michael Friedman and Kenneth Werner

"Buying a Majority Interest in a Hedge Fund Manager: An Acquirer's Primer on Key Structuring and Negotiating Issues" by Scott Budlong, Eva Marie Carney, Thao Do, Eric O'Meara, William Orbe and Kenneth Werner published in *The Hedge Fund Law Report*

"A Claims Market Emerges in Iceland" by Jon Kibbe, Louisa Watt, Jennifer Grady and Kenneth Werner

"House Passes Bill That Would Reduce Capital Gains Treatment for Carried Interests" by Kenneth Werner

TAX (Cont.)

"House Passes Bill That Would Eliminate Capital Gains Treatment For Carried Interests" by Kenneth Werner

"IRS Addresses Lending by an Offshore Entity in the U.S." by Kenneth Werner

"Changes Coming to Fund Compensation Structures?" by Jahangier Sharifi and Kenneth Werner

"New Legislation Will Permit Deferral of Cancellation of Debt Income" by Kenneth Werner

Lending, Investing and Trading After the Market Break

"New Legislation Limits Deferral of Compensation from Offshore Entities" by Kenneth Werner

"Tax Characterization of Series Limited Liability Companies" by Kenneth Werner

"New Pension Act Makes Important Changes Affecting Investment Funds with Benefit Plan Investors and Those Who Trade with Them" by Kenneth Werner

PRESENTATIONS

RK&O partners co-host "From Creditor to Equity Holder: How to Make Your Post-Reorganization Equity Work Harder for You"

NEWS & ANNOUNCEMENTS

RK&O's representation of ORIX USA on agreement to acquire a majority interest in Mariner Investment Group mentioned in *The Am Law Daily*

Kenneth Werner quoted in *The Hedge Fund Law Report* article "IRS Private Letter Ruling Offers Guidance to Hedge Funds Investing in Auction Rate Preferred Shares"

Kenneth Werner quoted in the *Compliance Week* article "HIRE Act's Enforcement Loophole Stirs Worry"

Kenneth Werner quoted in the *Compliance Week* article "IRS Preps Push to Disclose Uncertain Tax Positions"

Kenneth Werner quoted in *The Hedge Fund Law Report* article "Implications of Recent IRS Memorandum on Loan Origination Activities for Offshore Hedge Funds that Invest in U.S. Debt"

Kenneth Werner quoted in the *American Banker* articles "Outcomes, Not Incomes, Steer Comp Debate" and "Ideas in Contention as Compensation Fix"

Kenneth Werner quoted on *Bloomberg.com* article "IRS Tells Auditors to Look at Loans by Offshore Funds"

Kenneth Werner quoted in the *InvestmentNews* article "Financial Industry Faces Greater Scrutiny on Pay"