Recent Developments in Dealmaking, Proposed Regulation Changes, and Impact on M&A Activity

October 11, 2017

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Importance of Purchase Price Allocation

- Buyer’s goals vs. Seller’s goals

- Cost recovery and capital gains

Purchase Price Allocation Issues

1) Allocating among various asset classes

1) Sale of assets of a C corporation plus segregation of personal goodwill of key principal(s)

Section 1060 Allocation Rules

- Asset Classes I – VII

- Allocation of purchase price to ordinary income items versus capital items

Alternative Strategy

- Short-term consulting agreement

- Buyer benefits and Seller detriments

Sale of Personal Goodwill

- Availability
- Consequences

Tax Return Audit Risk

- Seller obligation

- Excluded liabilities and indemnification

Likelihood of Audit

- C corporations by size
- S corporations, partnerships, multi-member LLCs

Increases to Audit Risk

- No salary or unreasonably low salary for owners

- Large number of independent contractors

Section 338 Elections

- Section 338(g)

- Section 338(h)(10)

Qualified Stock Purchase

- Tax impact to buyer
- Implications to seller
- Benefits

Tax Credit and Refund Allocation

- Unrecorded Assets and Overstated Expenses

- Typical tax item benefits

Negotiating Advantages in Discovering Tax Benefits

- Seller's advantages

- Buyer's advantage

Overview of Legal Entities

Overview of Legal Entities

Limited Liability Company

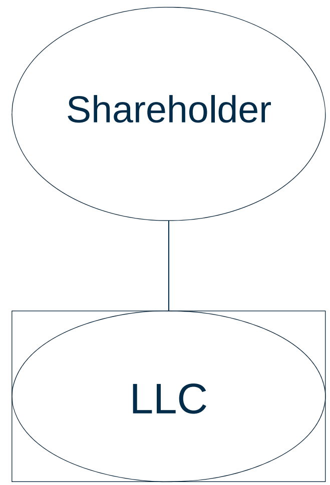
- ➢Single-member LLCs are classified as disregarded entities by default, but may elect to be classified as corporations.
- ➢Multiple-member LLCs are classified as partnerships by default, but may elect to be classified as corporations.
- ➢This is the most flexible legal structure from a tax perspective.

Step-Up Available?

- ➢ Step up on an acquisition and exit; no election generally required.

Diligence Items:

- ➢Based upon tax classification:
- ➢ Disregarded entity or partnership -
  - ➢ Non-Income taxes (sales and use, property, payroll, and unclaimed property).
  - ➢ Certain entity-level taxes (e.g., Washington B&O, Ohio CAT, NYC UBT, non-resident partner withholding).
  - ➢ Potential contractual or successor liability from historical mergers or acquisitions.
- ➢ Corporation -
  - ➢ Federal and state income taxes in addition to the above.



Overview of Legal Entities

Partnership

- Not subject to federal or state income tax.
- Items of income, gain, deduction, loss and credit pass-through to the partners.
- Certain state and local jurisdictions impose gross receipts taxes (e.g., Ohio, Texas, Washington).

Partners

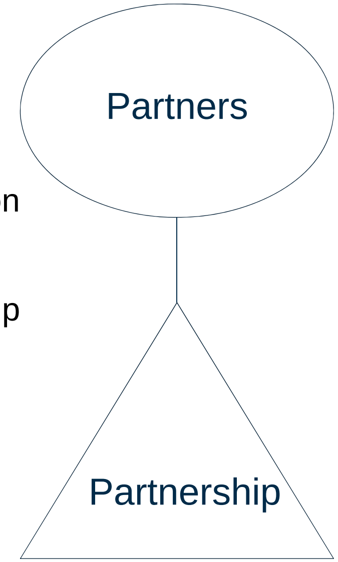
- Taxed on their allocated share of the partnership's ordinary income (up to 39.6% federal income tax on ordinary income for individuals).
- Capital gains (up to 20%, plus the 3.8% net investment income tax ("NIIT")) on the sale of a partnership interest (subject to recapture for certain items).
- Cash distributions generally characterized as a return of capital (i.e., not subject to tax).

Step-Up Available?

- Step up on acquisition and exit; Section 754 election may be required.

Diligence Focus:

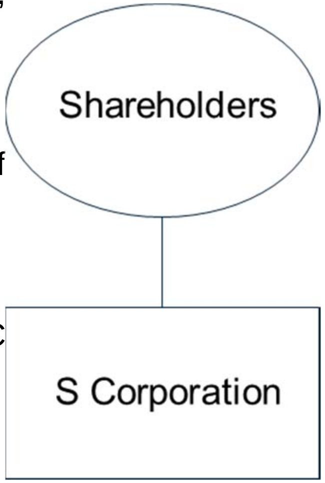
- Historical income tax exposures <u>do not</u> carry over, therefore diligence focuses on:
  - Non-Income taxes (sales and use, property, payroll, and unclaimed property).
  - Certain entity-level taxes (e.g., Washington B&O, Ohio CAT, NYC UBT, non-resident partner withholding).
  - Potential contractual or successor liability from historical mergers or acquisitions.



Overview of Legal Entities

S Corporations

- Pass-through treatment similar to a partnership.
- In certain state and local jurisdictions, S corporations are subject to entity-level taxes (e.g., California, Illinois, Massachusetts).
- Certain state and local jurisdictions impose gross receipts taxes (e.g., Ohio, Texas, Washington).
- Less flexible than partnerships (income and losses allocated pro-rata, limitation on number and type of shareholders)



Step-Up Available?

- A step-up may be available through a Section 338(h)(10) election, Section 336(e) election or an LLC dropdown transaction.

Diligence Focus:

- Historical income tax exposures <u>do not</u> generally carry over, therefore diligence focuses on:
  - Confirming the validity of the S corporation election.
    - If S election is invalid, there may be historical income tax liabilities, and a step up may not be available.
  - Non-Income taxes (sales and use, property, payroll, and unclaimed property).
  - Certain entity-level taxes (e.g., Washington B&O, Ohio CAT, NYC UBT, non-resident partner withholding).
  - Potential contractual or successor liability from historical mergers or acquisitions.

Overview of Legal Entities

C Corporations

- Unlike the other entities described above, C corporations are subject to both federal and state income taxes.
- Federal income tax rate: Up to 35%
- State income tax rate: Varies (but generally deductible for federal income tax purposes)

Shareholders

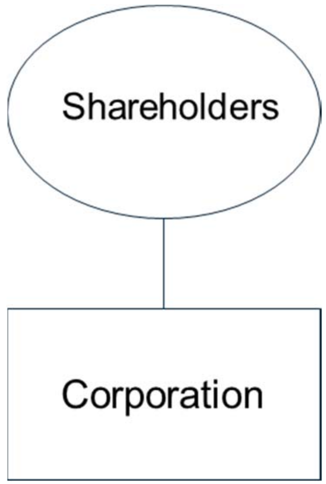
- The shareholders are subject to tax on dividends and capital gains.
  - Federal capital gains income tax rate: Up to 20%, plus the 3.8% NIIT
  - State Tax Rate: Varies (California = up to 13.3%)

Step-Up Available?

- No step up on acquisition or exit, unless acquired out of a consolidated group in which case there may be an opportunity for a Section 338(h)(10) election.

Diligence Focus:

- Historical Income and non-income tax exposures <u>do</u> carry over, therefore diligence focuses on:
  - Identification of all material pre-closing income and non-income tax exposures as previously discussed.



Overview of Tax Due Diligence

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Why Undertake Tax Due Diligence?

Identification of Pre-Closing Tax Exposures

- Income taxes
- Non-income taxes (e.g., gross receipts taxes, sales and use taxes, property taxes, payroll taxes, unclaimed property)

Benefit for both acquisition and exit

- Identification and Modeling of Utilization of Tax Attributes
- Evaluate Potential for step up
- Understand Legal & Operational Structure of Target and Identify Valuable Structuring and Tax Planning Opportunities

NOLs

Transaction Deductions

Goodwill / Intangibles

Transfer Taxes

Purchase Agreement Review

Some Tax Diligence Considerations

Type of Deal: Stock Purchase, Asset Purchase or Deemed Asset Purchase

- Tax classification (C corporation, S corporation, partnership, disregarded entity, etc.)
- Legal structure (how many entities are involved)
- Filing status (Consolidated or Standalone)
- Geographical locations (Domestic and/or International)

Industry (Manufacturing, Software)

Private or Public

Intercompany Activity (transfer pricing agreements, intercompany loans)

Related Party Transactions (related party leases, management fee agreements)

M&A Activity

Tax Audits

Tax Attributes (Net Operating Losses, R&D credits, Foreign Tax Credits, Amortization)

Tax Due Diligence: **Taxable Asset Purchase**

Historical income tax exposures

- Generally do not carry over

Non-income taxes

- Gross receipts
- Sales and use
- Payroll
- Property
- Unclaimed property

Transfer taxes

Incremental taxes to shareholders

- May be more expensive versus a stock sale

Anti-churning rules

- Prohibits use of step-up to goodwill if business was established in 1993 or earlier where the sale is to a related party (ownership of more than 20%)

Tax Due Diligence: **Taxable Stock Purchase**

Taxable stock purchase has the same scope as a taxable asset purchase scope plus additional procedures:

Historical income and non-income tax exposures

- Generally do carry over

Non-income taxes

- Gross receipts
- Sales and use
- Payroll
- Property
- Unclaimed property

Transfer taxes

Plus:

- Analysis of pre-closing federal and state income taxes
- Analysis of tax attributes (e.g., NOLs and restrictions (e.g., Section 382), tax credits, tax basis in property, etc.)

Tax Due Diligence: **Carve-out from a Consolidated Group**

A carve-out from a consolidated group has the same scope as a taxable stock purchase scope plus additional procedures:

Several liability of members of a consolidated group

- Parents and subsidiaries are severally liable for the entire consolidated group's tax during the time in which an entity was a member
- Typically a concern where:
  - The consolidated group is financially distressed
  - The consolidated group goes out of existence after the sale

Analysis of consolidated tax attributes and restrictions may be different

Tax sharing/indemnity agreements may be applicable

Opportunity for a Section 338(h)(10) Election

Tax Due Diligence: **S Corporations**

Same considerations as in an asset acquisition plus:

- Evaluation of the validity of the S corporation election
- Potential opportunity for step-up under Section 338(h)(10) or Section 336(e) if 80% or greater of the S corporation stock is acquired in the acquisition (or an LLC dropdown transaction)
- Section 1374 built-in gains tax if converted from a "C" corporation within the past five years for federal income tax purposes (10 years for certain states, such as California)
- Analysis of state tax treatment of S corporations
    - Same as federal?
    - Was a separate state election required?
    - Analysis of filing responsibilities including applicable shareholder consents, S corporation withholding requirements, composite returns, etc.

S Corporation Status is CRITICAL – if a bad S Corporation election, then:

- The S corporation is a "C" corporation, and liable for federal and state income taxes from the point of termination onward
- No Section 338(h)(10) or Section 336(e) election available (may still be able to do an LLC dropdown transaction)

Tax Due Diligence: **Partnerships**

Acquisition of all the equity of a partnership is characterized as an asset purchase from the Buyer's standpoint (i.e., Buyer gets a step-up) per Revenue Ruling 99-6.

If less than 100% is acquired, Buyer generally does not get a step-up in the underlying assets unless a Section 754 election is made or is in effect.

Diligence is focused on:

- Non-Income taxes (sales and use, property, payroll, and unclaimed property).
- Certain entity-level taxes (e.g., Washington B&O, Ohio CAT, NYC UBT, non-resident partner withholding).
- Potential contractual or successor liability from historical mergers or acquisitions.

Tax Reform Update

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An Uncertain Global Tax Environment

***"All great changes are preceded by chaos"* - Deepak Chopra**

Stated Goals of Trump's Unified Framework for Fixing Our Broken Tax Code (aka "Big Six" Framework)

- Tax relief for middle-class families
- Simplicity of "postcard" tax filing for most Americans
- Tax relief for businesses, especially small businesses
- Ending incentives to ship jobs, capital and tax revenues overseas
- Broadening the tax base by closing special interest tax breaks

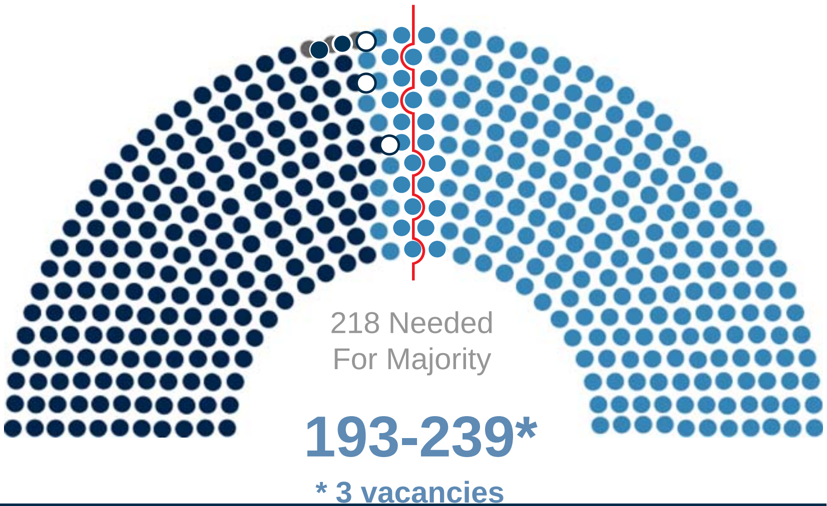
Issued September 27, 2017

Executive & Legislative Overview

Aligned Executive and Legislative Branches

CONTROL OF THE 115TH HOUSE (2016-2018)

Democrats Republicans



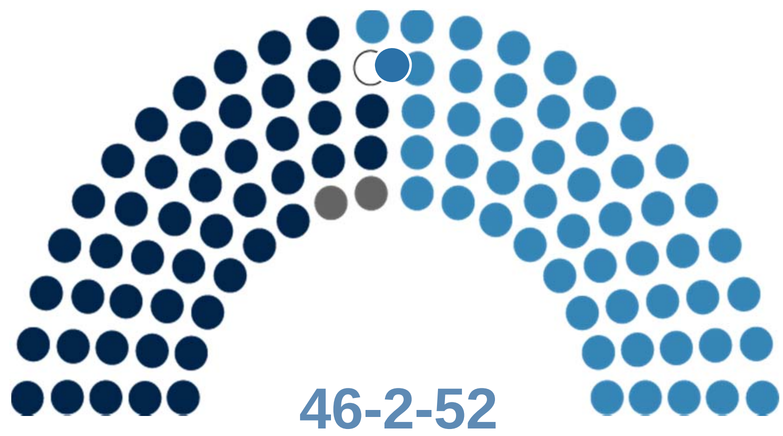
REPUBLICAN HOUSE MAJORITY

Speaker: Paul Ryan (R-WI)

Chairman, Ways and Means: Kevin Brady (R-TX)

CONTROL OF THE 115TH SENATE (2016-2018)

Democrats Republicans Independents



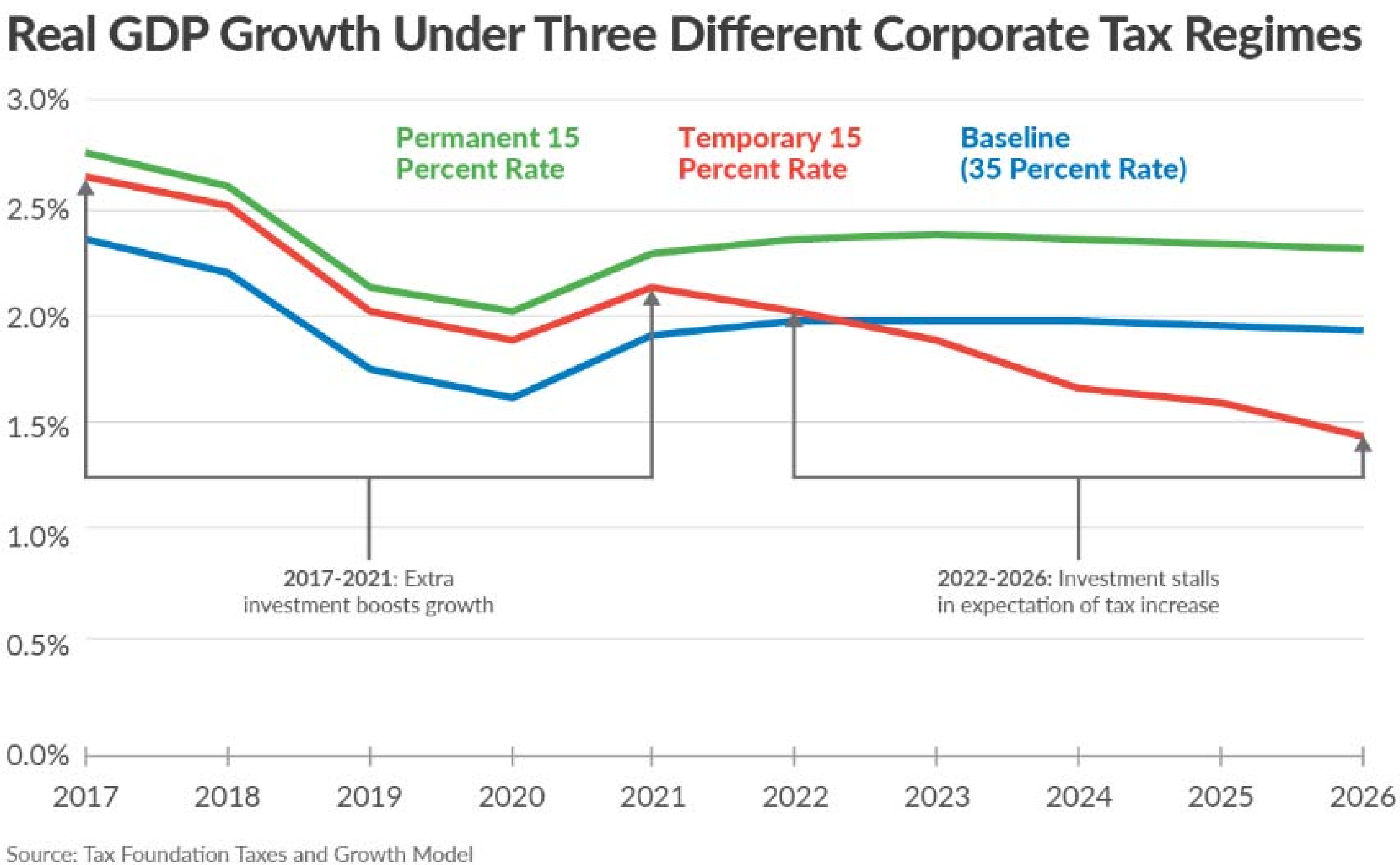
REPUBLICAN SENATE MAJORITY

Majority Leader: Mitch McConnell (R-KY)

Chairman, Senate Finance: Orrin Hatch (R-UT)

Temporary Corporate Income Tax Cuts Won't Generate Much Growth

- A temporary cut to the corporate income tax rate is substantially less effective at generating economic growth than a permanent cut.
- A ten-year reduction in the U.S. corporate income tax rate to 15 percent would boost investment and growth over the first seven years of the policy, but then reduce growth.
- The specter of a future tax increase makes investment under a temporary low rate less enticing, especially for long-lived assets.
- A temporary income tax cut is most likely to result in higher payouts to shareholders of corporations; a permanent corporate income tax cut has a much better chance to result in increased wages as well.


Real GDP Growth Under Three Different Corporate Tax Regimes
3.0%
2.5%
2.0%
1.5%
1.0%
0.5%
0.0%
Permanent 15 Percent Rate
Temporary 15 Percent Rate
Baseline (35 Percent Rate)
2017-2021: Extra investment boosts growth
2022-2026: Investment stalls in expectation of tax increase
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
Source: Tax Foundation Taxes and Growth Model

Factors Affecting Tax Reform

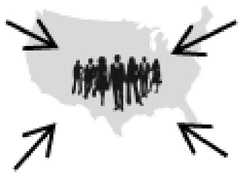
Favorable Factors

OECD

Uncompetitive U.S. Statutory Rate

Unified House, Senate, Executive

Tax Code Complexity



Movement back to U.S.

Detrimental Factors

Winners/Losers

Lobbying Efforts

Short Timeline for 2017 Legislation

Factors Affecting Tax Reform - Congress

Senate

Joint Conference

White House

Ways and Means Committee Begins Drafting and Developing Bill

Ways and Means Committee Release and Begin Mark-Up

House Vote

Senate Finance Chairman Releases and Begins Mark-Up

Mark-Up may include Amendments

Goes to Senate Floor for debate, vote, amendments

Resolve Differences. Send back to House and Senate for Vote

Send to President for signature, veto, or non-action

If signed, Treasury & IRS begin implementation

Understanding The Proposals

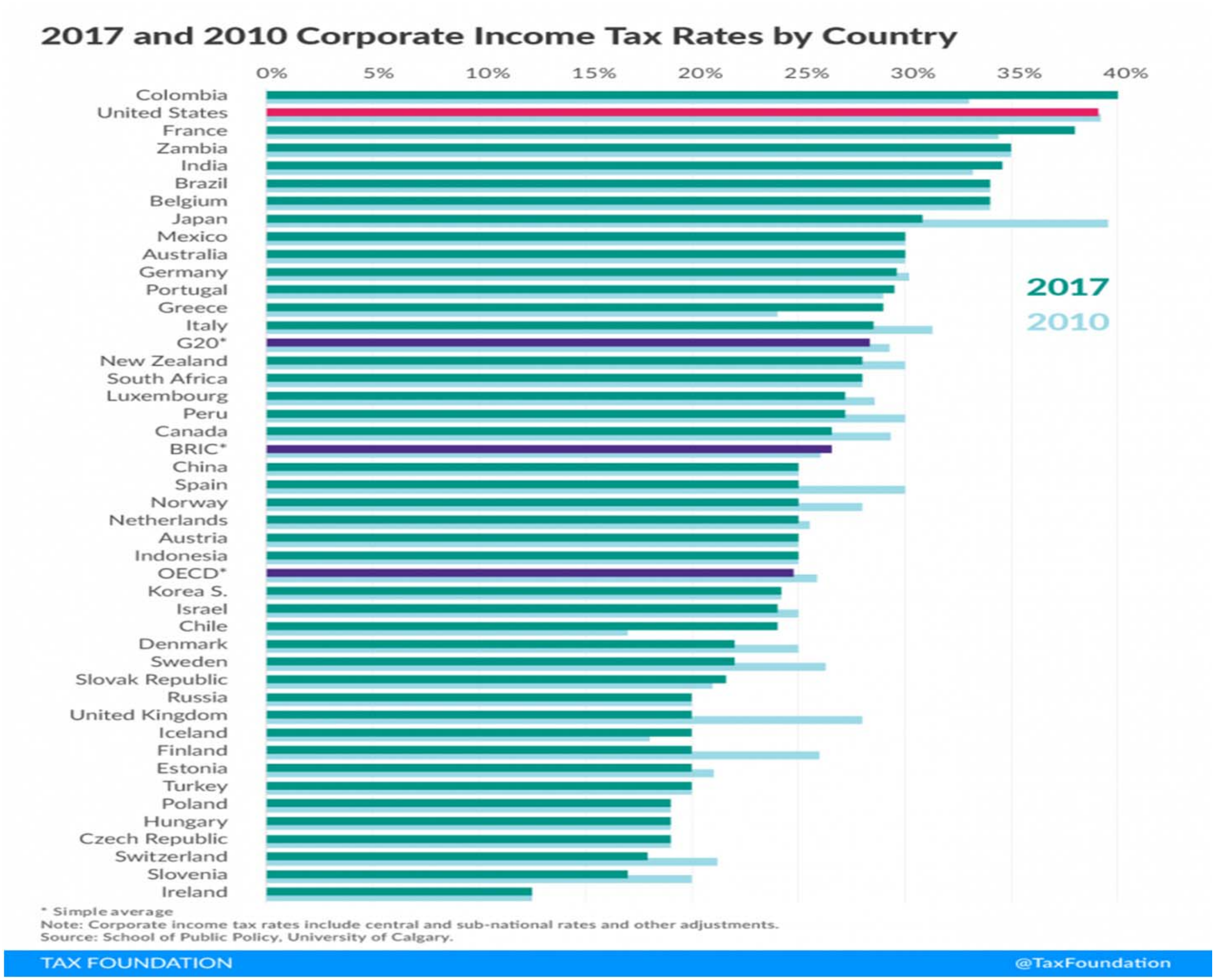
Plans Overview

	UNIFIED FRAMEWORK	REPUBLICAN BLUEPRINT	PRESIDENT TRUMP
CORPORATE RATE	**20%**	**20%**	**15%**
INTEREST DEDUCTION	Partial limitation on deduction for “net interest” expense “ for C Corporations	No deduction for net interest expense	Choice between interest deductions & 100% CAPEX*
CAPEX RECOVERY	Immediate expense for depreciable assets other than structures acquired after 9-27-17 for “at least 5 years” 199 Deduction Repealed	Deduct cost of depreciable tangible and intangible assets	Choice between interest deductions & 100% CAPEX*
OTHER DEDUCTIONS & CREDITS	Repeal 199 Retain R&D Credit	Repeal 199 Retain R&D Credit	Not mentioned
CARRIED INTEREST	Not mentioned	Not clear	Not mentioned
TERRITORIAL SYSTEM	Yes – 100% exemption for dividends from 10% or more owned foreign subsidiaries	Yes	Yes
ACCUMULATED CFC EARNINGS	One-time tax with two rate tiers but rates not disclosed	One-time tax at rate of either 8.75% or 3.5%	Taxed at rate to be determined
BAT	Not included	Included	Not mentioned
BUSINESS INCOME OF INDIVIDUALS	25% maximum tax rate applied to business income of sole proprietors, partnerships and S corporations	25% rate on active income of pass-through owners, subject to reasonable compensation requirement	15% rate on some pass-through income

Substantially Similar Plans – One Exception

	Unified Framework	Republican Blueprint	Comments/Notes
Corporate Rate	20%	20%	*Reduced rates for pass-thru and individuals as well*
Historical CFC Earnings	2 Tier System -Rates not Specified	8.75% (cash); 3.5% (other)	*One time, automatic and payable over 8-10 years*
Future CFC Earnings	Not mentioned	0%; Territorial	*Unclear whether CFC rules would remain*
NOLs	Not Mentioned	Carried forward indefinitely	
Interest Deduction	Partial Limit (Details to be determined)	Only “net” interest	
Capital Expenditures	Temporary(5 Years): 100% expensing for investments in depreciable assets after 09/27/17	Immediately Deducted	*Unclear: IP, goodwill*
Preferences	Most eliminated but for R&D credit	Most eliminated but for R&D credit	
Consumption Based Tax	**Eliminated**	**Border Adjustable**	***Outbound exemption; inbound cost not deductible***

Reduction of Corporate Income Tax Rate



Reduction of Corporate Income Tax Rate

The proposal

- **Big Six:** 20% flat tax rate

Impact?

- Impact to P&L as a result of deferred tax assets (DTAs) and deferred tax liabilities (DTLs) losing value. Consider accelerating deductions, deferring income recognition, or other transactional based planning.

WINNERS

- **AT&T** has a $60 billion DTL because of its capital intensity driven by depreciation.
  - Its noncash gain that increases net worth, shareholder equity, and book value from the rate reduction?

    $35 billion (at a 20% rate)

- **Apple** has a $32 billion DTL.
  - Benefit of rate reduction?

    $18 billion (at a 20% rate)

LOSERS

- Citigroup, AIG, General Motors, Ford Motor Company, Fannie Mae and Freddie Mac.

Reduced Rates On Pass-Throughs and Sole Proprietors

Current Law

- Pass-through income taxed as the applicable rate of the partner/shareholder

Proposals?

- **Big 6:** Pass-through rate of 25% for small businesses (Sole proprietorships, Partnerships and S Corporations)
- **House:** Cap tax rate on sole proprietors and pass-throughs at the 25% bracket

Impact?

- While employees would be subject to the tax at the top marginal rates (35%), a self-employed doctor, lawyer or accountant would be taxed at the 25% bracket under the proposal.
- The framework contemplates that the committees will adopt measures to prevent the re-characterization of personal income into business income to prevent wealthy individuals from avoiding the top personal tax rate
- ”Services companies that are pass-through will NOT get the benefit of the rate,” Mnuchin said in a Sept. 12 speech.

Unspecified Corporate Tax Expenditures

Proposals

- Tax Expenditures would be eliminated to offset tax rate reduction.
- R&D credit and LIFO will not be eliminated.

Impact?

- Creates an uncertainty about other credits and deductions, such as low income housing, historic rehabilitation, new markets and energy.

NOLS

Proposals

- **Big 6:** No mention of NOLs in framework.
- **House:** Allows NOLs to be carried forward indefinitely and eliminate NOL carrybacks. NOL carryforward limited to 90% of annual income.

Impact?

- Elimination of carrybacks could impact GAAP and other regulatory capital calculations.
- Elimination of carrybacks could reduce the provision's current effect of providing a stimulus during economic downturns.

“One-Time” Repatriation

Proposal

- **Big 6:** “Accumulated foreign earnings held in illiquid assets will be subject to a lower tax rate than foreign earnings held in cash or cash equivalents. Payment of the tax liability will be spread out over several years.”
- **House Blueprint:** 8.75% on cash, 3.75% otherwise. Payable over an eight-year period.

Impact?

- Potential GAAP impacts where there are APB 23 repatriations with no DTLs or non-APB 23 repatriations with existing DTLs.
- Offshore accounts are commonly estimated at about $2.6 trillion.
  - At 8.75%, the revenue potential could be estimated at $228 billion.

Proactive Steps & Planning

Corporate Planning

The following planning ideas could potentially be utilized depending on the timing and enactment date(s) of the tax reform.

- **Impact of double taxation significantly reduced**
- **Defer dividend distributions for shareholders benefit.**
- **Normal planning to accelerate deductions / defer income**
  - Payment liabilities – prepayment of certain items.
  - Bonus plans.
  - Audit fees – prepayment of fees incurred pre-reform.
  - Other items to create one-year acceleration.
  - Consider method changes.
- **Accelerate capital expenditures**
  - Need to consider immediate expensing opportunity in post-reform periods.

Corporate Planning

Maximize potential expiring provisions

- Section 199 – increase QPAI.
- **Big 6:** Eliminates section 199 deduction

Obtain deductions for high basis assets / worthless assets

- Write off non-collectible A/R - bad debt deductions.
- Dispose of assets that could trigger losses in current year.
- Worthless stock deductions.
- Worthless debt.
- Other high-basis assets - ordinary deductions.

Trigger any deferred interest expense

- Opportunities to accelerate interest expense on debt.

Net operating loss planning

- Maximize utilization of NOL carryforwards or carryback of NOL's generated pre-reform to obtain 35% benefit.
- Ten-year carryback opportunities
  - Specified liability losses - Opportunities to settle pre-reform to obtain deductions available for ten-year carryback.

Individuals

Individuals

Big 6 Tax Proposals, September 2017	
Tax Rates on Ordinary Income	Consolidate current seven tax brackets into three brackets: 12%, 25% and 35%
Itemized Deductions	Phases out all deductions except for the charitable deduction and the mortgage interest deduction.
Tax Credits	Significantly raise the child tax credit.
Alternative Minimum Tax (AMT)	Eliminate the AMT.
Tax Rates on Capital Gains and Dividends	No mention of Capital Gains and Dividend Income. Proposal calls for preserving tax benefits for "retirement security".
Estate Tax	Eliminate the estate tax.

Individual Tax Implications

- **Tax rates expected to decrease**

  Big 6:

  - Top bracket to drop from 39.6% to 35%.
  - Seven brackets decreased to three (12%, 25%, 35%).

- **Long-term capital gains and qualified dividends**

  Big 6: No mention of long-term capital gains or qualified dividends in Framework.

- **Pass-through income (Partnerships/S-Corps)**

  - Over 90% of U.S. businesses are "pass-through," earning over 50% of all business income.
  - Big 6 Framework creates new maximum tax rate of 25% of the business income of small and family-owned businesses conducted as sole proprietorships, partnerships and S corporations.

- **Carried interest (the tax break for private equity fund managers' profits)**

- Currently taxed at capital gains rates (23.8%).
- **House Republicans** would originally continue to tax carried interest at long-term capital gains rate (16.5% in the proposal).
- **Big 6:** No mention of carried interest in Big 6 Framework.

Individual Tax Implications

Standard deduction to increase from $6,300 Single and $12,600 Married Filing Jointly (MFJ)

- **Big 6:** $24,000 MFJ; $12,000 Single
- **House:** $24,000 MFJ; $18,000 Single w/child; $12,000 Single.

Both proposals eliminate personal exemptions, but keep in mind that high-income earners already have their personal exemptions phased out or eliminated.

- What are the itemized deductions that generally allow an individual taxpayer to exceed the standard deduction?
  - Taxes (state income, property).
  - Mortgage interest.
- Will there be any residual impact to the **housing market** for those homeowners whose itemized deductions currently fall in the $12,600 - $25,200 range?
  - Homeowners in the above range could now get the same tax benefit as renters under the new law (assuming a similar mortgage/rental payment) without paying property taxes, HOA fees, etc.
  - Potential increase in monthly cash flows.

Individual Tax Implications

Eliminates many itemized deductions

- **Big 6:** Elimination of several itemized deductions, not identifying specific provisions. Preserves Mortgage interest and charitable deductions.
- **House:** eliminates all itemized deductions except mortgage interest and charitable contributions.

The "new" tax system is beginning to look increasingly similar to our current AMT regime.

- Reduced rates (28%) and addback of certain itemized deductions (i.e., taxes, misc. itemized).

No mention of 3.8% Investment Tax in Big 6 Framework

Alternative Minimum Tax to be repealed

- Generally, most taxpayers subject to the AMT fall within the $200,000 to $500,000 income range.

Big 6 & House: Propose to repeal estate tax

- **Big 6:** Estate tax repealed; no mention of gift tax repeal.
- **House:** plan calls for a repeal of estate tax and does not call for a tax on capital gain property held at the time of death.
- It is unclear how the House plan would impact basis step-ups. But the general assumption is that eliminating the estate tax would eliminate the basis step-up. It is possible that there could be a basis step-up below some threshold amount.

Individual Tax Implications

House & Big 6 propose changes to tax benefits for families with children

- **Big 6:** Personal exemption for dependents is replaced with an nonrefundable portion of the child tax credit (Unknown amount); Provides $500 non-refundable credit for non-child dependents.
- **House:** Proposes to increase child tax credit to $1,500 ($1,000 refundable); phase out does not begin until 150K for MFJ.

No change from Big 6 or the House in treatment for employer provided health care or retirement savings incentives have been listed in either of the proposals, but there has been chatter regarding potential 401(k) plan changes.

- A change that has been discussed could require individuals to put half of their contributions in Roth 401(K)s (no tax deduction), and the other half in traditional 401(k)s.

Acceleration of Corporate and Individual retirement plan contributions in 2017 (i.e. accelerating the deduction to a higher tax rate year)?

Bios

Eric M. Fogel

Chair, Corporate Practice Group, SmithAmundsen LLC

Eric is a partner in the firm's Chicago office and chair of the Corporate Practice Group. He handles global compliance, policies and procedures, internal and external investigations, business ethics, global ethics and compliance training, FCPA, anti-bribery compliance, ITAR, EAR and OFAC counseling, product certifications and labeling, customs clearance, export control programs, anti-trust counseling, regulatory response, FDA counseling, data privacy and information security, data breaches, and REACH compliance. He has significant experience in federal and state securities laws, advising Special Committees of boards of directors, Investment Advisor Act compliance, SEC interaction, mergers and acquisitions, and financing. He closely advises chief executive officers, board members, and general counsel throughout the nation and has handled capital transactions involving hundreds of millions of dollars. He often works with his clients in an "outside general counsel" capacity and counsels hedge funds, venture capitalists, and private equity firms in various transactions.

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With more than 30 years in the legal practice, Eric's depth of experience and knowledge of the Chicago business market are unmatched. His practice includes: corporate and board governance for public companies and private (for-profit and not-for-profit); board and corporate investigations; fund formation, investment adviser compliance and regulation; insurance regulatory compliance; domestic and global merger and acquisition activity; representation before the Securities and Exchange Commission; tender offers and proxy fights on behalf of insurgents and incumbents; securities arbitrations and hearings; and securities law compliance including the 1933, 1934 and 1940 acts.

Prior to his legal career, Eric worked as a stockbroker, which provided him a unique opportunity to understand capital markets, their participants, and their driving forces. He also understands the pressures and realities that board members are faced with firsthand, having served on multiple public and private boards of directors himself.

Daniel F. Rahill

Managing Director, Alvarez & Marsal Taxand, LLC

A leader for more than 30 years, Dan has significant experience advising public, private and middle-market companies on all tax matters. He advises clients on global restructuring; negotiation and transaction management in mergers, acquisitions and divestitures; as well as financial modeling and budgeting. His clients have crossed various sectors, including consumer and industrial products, energy, manufacturing, retail distribution, alternative investment funds, professional services and family offices.

Currently, Dan heads up A&M's Midwest Tax Practice, serving public and private multinationals, family offices, start-ups and private equity portfolio companies. In this role, he focuses on international tax issues, entity selection, in- and out-bound investments, and personal financial planning. Dan frequently lectures on tax legislative topics to CPA societies, bar associations, trade and industry groups, and colleges and universities. He is published widely in industry and accounting publications.

Prior to joining A&M, he was with KPMG for 27 years, and held numerous leadership roles, including Tax Partner-in-Charge of the Chicago Metro Business Unit and Midwest Leader of the Mid-Market Practice. Dan was also a trustee of the KPMG Foundation and served as the Global Lead Partner on many of KPMG's high-profile multinational accounts.

Dan served on the Illinois CPA Society Board of Directors for nine years, including as its Chairman, and is on the Board of the Illinois CPA Society Endowment Fund. He is on the National Governing Counsel for the American Institute of CPAs, the Board of Directors of Metropolitan Family Services of Chicago (Finance Committee Chair), the Chicagoland Chamber of Commerce Tax Forum, the Advisory Boards of the University of Notre Dame and the University of Illinois Accounting Programs, and the Northeastern Illinois University College of Business. In addition, Dan was on the boards of The University of Illinois MST Program, The Tax Assistance Program of Chicago, The Notre Dame Monogram Club, The University of California Merced Foundation, and served as Chair of the Membership Committee of The Economic Club of Chicago.

Dan earned a bachelor's degree in accounting from the University of Notre Dame (2008 Accounting Alumni of the Year), and a J.D. and LL.M. from DePaul University Law School. He is a Certified Public Accountant (CPA), Chartered Global Management Accountant, and is licensed to practice before the U.S. Tax Court.

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William B. Weatherford is a Senior Director with Alvarez & Marsal Taxand, LLC in Chicago, focusing on transactional, corporate and partnership tax matters. Mr. Weatherford has extensive experience in private equity, corporate and partnership taxation and accounting matters, including mergers and acquisitions (M&A), tax planning, and tax compliance solutions. Mr. Weatherford's experience also includes performing tax due diligence, drafting opinion letters and ruling requests, and tax controversy resolution.

Prior to joining A&M, Mr. Weatherford was the Vice President of Finance for eVentures, a global venture capital firm, in San Francisco. In his capacity as Vice President of Finance, Mr. Weatherford was responsible for the financial reporting of the firm's investment funds as well as the day-to-day management of all finance, tax, regulatory, treasury, human resources and accounting matters. In addition, his responsibilities included investor and limited partner relations, SEC reporting, and other operational/regulatory compliance matters.

Mr. Weatherford previously worked at PricewaterhouseCoopers LLP in San Francisco in the Asset Management and M&A practices. His experience included extensive tax compliance and consulting experience with some of the San Francisco Bay Area's largest venture capital, private equity and real estate funds, as well as Fortune 500 companies.

Mr. Weatherford has written numerous articles, including: The Earn-Out Dilemma, 130 Tax Notes 685 (Feb. 7, 2011); California's Budget Bodes Ill for Those Hoping for Tax Reform, 59 State Tax Notes 131 (Jan. 10, 2011); Musings on Stock Dispositions, 128 Tax Notes 1059 (Sept. 6, 2010); Do Tax-Exempt Entities Have an 'ACE' Up Their Sleeves?, 127 Tax Notes 897 (May 24, 2010); Economic Crisis Renews Interest in Electing Investment Partnerships, 126 Tax Notes 945 (Feb. 22, 2010); 21st Century Commission Proposes Substantial Tax Reforms, but is a Business Net Receipts Tax the Change California Needs?, 2009 Weekly State Tax Report 50 (Dec. 11, 2009); California Budget Update, Part Three: The Road to a Balanced Budget is Paved with Some Questionable Tax Legislation, 2009 Weekly State Tax Report 42 (Oct. 16, 2009); California Budget Update, Part Two: A Look at Four Changes that May Pose Significant Complications for Multistate Taxpayers, 2009 Weekly State Tax Report 26 (June 29, 2009); and, Traps for the Unwary: An Analysis of the Unintended Consequences of California's FY 2008-09 Budget Legislation, 2009 Weekly State Tax Report 12 (Mar. 20, 2009).

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