The J. Nelson Young Tax Institute
A Program in Continuing Legal/Professional Education

May 2 – 3, 2013

UNC Center for School Leadership Development
Chapel Hill, North Carolina

15 hours of CLE credit
18 hours of CPE credit

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A bout the  
J. Nelson Young  
Tax Institute

The Tax Institute is an annual professional continuing education program covering current federal tax problems and issues at the post-graduate level of knowledge. The program is designed for the practitioner who frequently handles federal tax matters. Emphasis is placed on subjects that are new and current, including in-depth coverage of recent developments and problems that often prove difficult in planning clients’ affairs and transactions. The speakers at the Institute are all tax practitioners and scholars from throughout the country who have been selected for their technical expertise and speaking ability. They will address any recently enacted or pending legislation relevant to their areas of expertise.

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Kimberly Quarles Swintosky  
Smith Anderson - Raleigh

Pamela B. Gann Professor of Law, Duke University School of Law - Durham
Schedule for 2013 UNC Tax Institute

Thursday, May 2

8:00 a.m.  Registration and Continental Breakfast

8:15 a.m.  Welcome
John Charles Boger, Dean and Wade Edwards Distinguished Professor of Law

8:30 - 10:30 a.m.  Recent Federal Income Tax Developments
Martin J. McMahon, Jr., Stephen C. O’Connell Professor of Law, Fredric G. Levin College of Law, University of Florida and Daniel L. Simmons, Professor of Law, University of California, Davis

This session will provide an examination of the legislation, court opinions, and regulations and rulings of the past year.

10:30 a.m.  Break

10:40 - 11:50 a.m.  The IRS Whistleblowing Program
Bryan C. Skarlatos, Kostelanetz & Fink, LLP

This presentation will discuss the IRS Whistleblowing Program, which provides rewards for the provision of information to the IRS that leads to the recovery of unpaid taxes, interest, and penalties. The whistleblower program has received significant recent attention because of statutory changes that made awards non-discretionary under certain conditions and because of the high-profile whistleblower award of $104 million to former UBS banker Bradley Birkenfeld in September 2012. This presentation will explain the IRS whistleblowing process from the filing of the claim to the determination of an award, with an emphasis on recently proposed regulations that would govern the program when and if finalized.

11:50 p.m.  Lunch (provided)

12:35 - 1:45 p.m.  Capturing the Value of a Company's Efficient Tax Structure Upon Sale: Often Overlooked and Underemphasized Tax Considerations in U.S. M&A and IPO Transactions
Warren P. Kean, K&L Gates

This program will focus on the effect that a company's tax structure may have on its sales price and after-tax return. It will compare two models: (1) the exclusion of all federal and state income taxes on the sale of qualified small business stock and (2) the increased use of earnout arrangements to capture the benefit of an acquired company's efficient tax structure to the buyer, including "UP-C" (so-called "supercharged IPOs") or "Exchangeable LLC" structures.

1:50 - 2:50 p.m.  The Application of the Self-Employment Tax and the New 3.8% Net Investment Income Tax to Owners of Pass-Through Entities
C. Wells Hall, III, Mayer Brown, LLP

A discussion and analysis of the application of the self-employment tax and the new 3.8% tax on "net investment income" to pass-through entities (S corporations, partnerships, and LLCs) and their owners, including the proposed Section 1411 regulations issued on November 30, 2012, effective for tax years beginning after December 31, 2012.

2:55 - 4:00 p.m.  Changing the Tax Classification of an Entity
Peter J. Genz, King & Spalding, LLP

An examination of tax consequences of elective tax classification changes; cross-species mergers; state law entity conversions; illustrative case studies.

4:00 p.m. - 6:00 p.m.  Ethical Tax Practice *
Deborah L. Hildebrand-Bachofen, Manning Fulton & Skinner, PA and Maria M. Lynch, Lynch & Eatman, LLP

Presenters will focus on recent disciplinary proceedings against both practitioners and firms. This session will include hypothetical situations involving professional ethics with a special emphasis on Circular 230. The session will also include a discussion of proposed amendments to Circular 230.

*The School of Law is greatly appreciative of the Judge Marshall T. Spears, Sr. Lecture, which was established in 1981 by E.F. Spears to support professional Continuing Legal Education.
Schedule for 2013 UNC Tax Institute

Friday, May 3

8:30 a.m.  Continental Breakfast

9:00 - 10:15 a.m.  Taxation of Litigation Recoveries, Payments, and Expenses
Brant J. Hellwig, Professor of Law, Washington & Lee University School of Law and Gregg D. Polsky, Willie Person Mangum Professor of Law, UNC School of Law

This presentation will address the tax issues stemming from the process and conclusion of litigation: whether litigation recoveries are taxable or tax-free for income tax purposes, whether recoveries are wages for employment tax purposes, whether recoveries are characterized as ordinary income or capital gains, how settlements should be allocated among different claims, the deductibility of legal fees and other litigation costs paid by plaintiffs and defendants, reporting requirements for defendants when amounts are paid to plaintiffs and/or their lawyers, whether amounts paid by defendants may be deducted as opposed to capitalized, the disallowance of deductions for the payments of “fines or penalties,” the tax treatment of structured settlements and structured attorney’s fee arrangements, and how tax issues may affect settlement negotiations.

10:20 - 11:50 a.m.  The American Taxpayer Relief Act of 2012: Permanency at Last? **
Sanford J. Schlesinger, Schlesinger, Gannon & Lazetera LLP

The speaker will discuss the gift tax, estate tax and generation-skipping transfer tax provisions of the American Taxpayer Relief Act of 2012 and how those provisions affect estate planning and the administration of decedents’ estates in 2013 and thereafter. Session will include the examination of the administration’s proposals regarding short term grantor retained annuity trusts, valuation discounts and grantor trusts, which were omitted from the Act, and the estate planning techniques that continue to be viable on account of those omissions. In addition, the speaker will discuss recent IRS developments and case law developments regarding various aspects of estates and trusts.

11:50 a.m.  Lunch (provided)

12:35 a.m. - 1:50 p.m.  Operations and Functions of the Multistate Tax Commission: A National Perspective on State Taxation
Joe B. Huddleston, Executive Director, Multistate Tax Commission

An open and free wheeling discussion on important state tax issues, dealing with both litigation across the country and national legislation impacting state tax.

1:55 - 3:10 p.m.  Update on Compensation: Qualified Plans, Nonqualified Plans and Health Care
Elizabeth E. Drigotas, Deloitte Tax LLP

This session will review some of the developments in the compensation area over the last year, including a look at some of the guidance related to implementation of the Affordable Care Act, the revised revenue procedure for correction of qualified plans, and updates in the nonqualified compensation area.

3:15 p.m. - 4:30 p.m.  Selected Issues for Charities and Other Not-for-Profits
J. William Gray, Jr., Hunton & Williams, LLP

This session will highlight recent developments affecting tax-exempt organizations and their directors, officers and donors. Topics will include tax and governance concerns affecting choice of entity, new rules for single-member LLC's and Type III supporting organizations, charitable gift substantiation, heightened fiduciary duty concerns for directors and officers, uses of endowments and other restricted funds, and revised information reporting requirements.

The School of Law is greatly appreciative of the Marvin K. and Florence T. Blount Lecture, which was established in 1973 by Marvin (J.D., 1916) and Florence Blount to promote greater professional and public awareness of estate planning and tax issues.
Speakers for the 2013 UNC Tax Institute

Elizabeth E. Drigotas  
*Deloitte Tax, LLP*

Drigotas is a principal in the Washington, D.C., office of Deloitte Tax LLP. Her practice focuses on employee benefits and executive compensation. Prior to joining Deloitte Tax, she worked as an attorney advisor in the Office of the Benefits Tax Counsel for the U.S. Treasury Department. During her tenure there, she participated in a number of regulatory projects, including golden parachute regulations, incentive stock option regulations, section 401(k) and (m) regulations, regulations permitting individuals over age 50 to make additional contributions and regulations applicable to ESOPs (employee stock ownership plans). She received a J.D. from the University of North Carolina School of Law.

Peter J. Genz  
*King & Spalding, LLP*

Genz is a partner in King & Spalding’s tax practice group. His practice concentrates on corporate, partnership, and real estate tax matters, and also tax controversies. He is particularly qualified in matters relating to structuring inbound foreign investment, real estate investment trusts and troubled company workouts. He has served as an attorney-advisor to Chief Judge Howard A. Dawson Jr. of the U.S. Tax Court. He earned a J.D. from the University of Florida Law School and a M.A. in taxation from the Georgetown University Law Center.

J. William Gray, Jr.  
*Hunton & Williams, LLP*

Gray is a partner in the Richmond, Virginia office of Hunton & Williams LLP, where his practice focuses on tax-exempt organizations, charitable giving, and estate planning and administration. He holds a degree in industrial engineering from Rutgers University and a law degree from the University of Virginia and was a Rotary Foundation Fellow at the University of Manchester, England. He is a fellow of the American College of Trust and Estate Counsel, a founding director and former president of the Virginia Gift Planning Council and a former president of the Virginia Network of Nonprofit Organizations. He is also a member of the Richmond Estate Planning Council, the University of Virginia Gift Planning Council, the University of Richmond Estate Planning Advisory Council and the Exempt Organizations Committee of the ABA Section on Taxation. He received a J.D. from University of Virginia School of Law.

C. Wells Hall III  
*Mayer Brown, LLP*

Hall has extensive experience in transactional matters, advising clients on federal, state, and multistate tax aspects of mergers, acquisitions, reorganizations, recapitalizations, and private equity transactions. He regularly handles state and multistate income, sales, excise, and unemployment tax matters for business clients, representing taxpayers before the North Carolina Department of Revenue, the North Carolina Employment Security Commission, and the tax authorities of other states. Hall was a principal drafter of the North Carolina S Corporation Income Tax Act, and the Model S Corporation Income Tax Act endorsed by the American Bar Association and the Multi-State Tax Commission. He received a J.D. from Duke University School of Law.

Brant J. Hellwig  
*Professor of Law, University of South Carolina School of Law*

Hellwig is a professor at the University of South Carolina School of Law, where he has been a member of the faculty since 2002. He graduated summa cum laude from Wake Forest University with a bachelor of science in mathematical economics, after which he attended the Wake Forest University School of Law as a Carswell Scholar. After receiving his J.D., he practiced estate planning with Bell, Davis and Pitt, P.A. in Winston-Salem. He left practice in 1999 to pursue his LL.M. in Taxation at New York University School of Law, where he received the Harry J. Rudick Memorial Award for distinction in the Graduate Tax Program. Prior to joining the faculty at South Carolina, Hellwig served as a law clerk to the Honorable Juan F. Vasquez of the United States Tax Court and as an Acting Assistant Professor in the NYU Graduate Tax Program.
Deborah L. Hildebran-Bachofen  
*Manning Fulton & Skinner, PA*

Hildebran-Bachofen has been practicing with Manning Fulton since 1988 and heads the firm’s Estate Administration Section and with more than 20 years of experience in the areas of estate planning and administration. She often represents key executives and assists high net worth families and individuals in developing and implementing gift and estate tax planning and the administration of substantial and complex estates and trusts. She also has a broad range of experience with closely-held corporations, including corporate mergers, acquisition and structuring issues, planning and tax accounting issues, private debt placement, and tax planning. She received a J.D. from the University of North Carolina School of Law.

Joe B. Huddleston  
*Executive Director, Multistate Tax Commission*

Huddleston is currently the Executive Director for the Multistate Tax Commission in Washington, DC having been named to that position in July of 2005. The MTC is an intergovernmental State Tax agency with responsibilities ranging from development of Model Tax statutes and regulations, to the conduct of audits on multistate/multinational corporations on behalf of its member states. Additionally, the Multistate Tax Commission regularly advises Congressional Committees and individual members of Congress on state tax impacts of Federal legislation. He received a J.D. from the Nashville School of Law and a LL.D. from the University of South Carolina.

Warren P. Kean  
*K&L Gates*

Kean is a partner in K&L Gates in the firm’s business law department. His practice focuses on matters relating to limited liability companies, partnerships and other unincorporated entities and the taxation of those entities. His practice emphasizes venture capital and private equity financings, strategic alliances and joint ventures, and organizing and advising private equity funds and their investors and management. In addition, Kean is involved with mergers and acquisitions; organizing and advising real estate ventures; advising emerging and other closely held businesses; and corporate finance. He received a J.D. from Louisiana State University, an LL.M. in Securities Regulation from Georgetown University and an LL.M. in Taxation from New York University.

Maria M. Lynch  
*Lynch & Eatman, LLP*

Lynch is a partner in Lynch & Eatman, LLP and focuses on estate planning, estate administration and tax exempt organizations. She is a Fellow of the American College of Trust and Estate Counsel and is a Board Certified Specialist in Estate Planning and Probate Law. Lynch has been an adjunct professor at the University of North Carolina School of Law and a Senior Lecturing Fellow at Duke University School of Law. She has served as a NC State Bar Councilor from 1993-2001 and is a member of the NC Bar Association Estate Planning and Fiduciary Law Section Council and the past chair of its Ethics Committee. She received a J.D. from University of North Carolina School of Law.

Martin J. McMahon, Jr.  
*Stephen C. O'Connell Professor of Law, University of Florida Fredric G. Levin College of Law*

McMahon is the Stephen C. O’Connell Professor of Law for Fredric G. Levin College of Law at the University of Florida. He is the coauthor with Bittker and Zelenak of *Federal Income Taxation of Individuals, 3d Ed.*, and the coauthor of course books on federal income taxation, taxation of corporations, and taxation of partnerships. He received a J.D. from Boston College Law School and an LL.M. in taxation from Boston University Law School.

Gregg D. Polsky  
*Willie Person Mangum Professor of Law, UNC School of Law*

Polsky is the Willie Person Mangum Professor of Law at the UNC School of Law, where he teaches tax courses and writes primarily in the areas of tax and business law. Before joining the UNC faculty, he practiced tax law in the Miami office of White & Case LLP and later became a tenured member of the law faculties at Florida State University and the University of Minnesota. During the academic year of 2007-2008, he served as the Professor-in-Residence at the Internal Revenue Service Office of Chief Counsel in Washington. He received a J.D. and an LL.M. from the University of Florida.
Sanford J. Schlesinger  
*Schlesinger Gannon & Lazetera LLP*

Schlesinger is a founding partner of the law firm of Schlesinger Gannon & Lazetera, LLP and chair of its wills and estates department and family business group. He is a nationally recognized expert in the areas of estate and tax planning, estate administration, family-owned business planning; charitable planning and all related areas. He also handles all aspects of contested and litigated estate and trust matters. In addition to being a frequent lecturer, he has authored three books and numerous publications on trusts, estates, taxation, closely held business and family succession planning, charitable giving and related matters. He received a J.D. from Fordham University School of Law.

Daniel L. Simmons  
*Professor of Law, University of California, Davis*

Simmons is a professor of law at the University of California Davis, where he has been on the faculty since 1976. He primarily teaches in the areas of basic federal income tax, corporate tax and partnership tax. He is a co-author of casebooks on Federal Income Taxation, Federal Income Taxation of Business Organizations, Federal Income Taxation of Corporations, and Federal Income Taxation of Partnerships and S Corporations, as well as numerous articles. He served as a Professor-in-Residence in the Office of the Chief Counsel of the Internal Revenue Service in 1986-87. He has been on the executive board of the State Bar Tax Section, and has served as chair of the Teaching Tax Committee of the ABA Section on Taxation. He is the graduate group chair for the U.C. Davis Masters of Law in International Commercial Law. He received a J.D. from the University of California, Davis School of Law.

Bryan C. Skarlatos  
*Kostelanetz & Fink, LLP*

Skarlatos is a partner in Kostelanetz & Fink, LLP and represents clients involved in civil and criminal tax controversies, white collar criminal investigations, complex commercial litigation, whistleblower claims and voluntary disclosures. He also provides clients with advice on a broad range of tax, estate, and business planning issues. Skarlatos is on the board of editors of the Practical Tax Lawyer and he frequently speaks on topics related to civil and criminal tax controversies. He received a J.D. from Pennsylvania State University Dickinson School of Law of and an LL.M. in taxation from New York University School of Law.
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**Registration**

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*The registration fee includes a continental breakfast each day, morning and afternoon breaks, and conference materials.*

Registrations will be accepted at the door on a space-available basis. To check space availability, please contact the CLE Office before April 25 at (919) 962-1679 or unclawcle@unc.edu.

**Cancellations**

Cancellations Registrations cancelled more than 30 days prior to the course date to receive a full refund of the registration fees. Registrations cancelled less than 30 but more than 15 days prior to the course date will result in a refund less $75. Registrations cancelled less than 15 days prior to the course date will not be eligible for a refund. Cancellations received after this cut-off time will not be eligible for refund. Confirmed participants who do not attend the program are responsible for the entire fee unless other arrangements have been made with the School of Law's director of continuing legal education at (919) 962-7815.

School of Law's Office of Continuing Legal Education reserves the right to cancel or reschedule seminars at any time. If the University of North Carolina or the School of Law's Office of Continuing Legal Education cancel or reschedule the event due to weather or unforeseen circumstances beyond our control, you are entitled to a full refund, but are not responsible for travel arrangements, travel fees, or any expenses incurred by you as a result of such cancellation. If the Office of Continuing Legal Education cancels a seminar in which you are enrolled, you will be contacted at the email address you provided when registering, so please be sure to provide a valid email address.

School of Law's Office of Continuing Legal Education reserves the right to cancel or reschedule seminars at any time. If the University of North Carolina or the School of Law's Office of Continuing Legal Education cancel or reschedule the event due to weather or unforeseen circumstances beyond our control, you are entitled to a full refund, but are not responsible for travel arrangements, travel fees, or any expenses incurred by you as a result of such cancellation. If the Office of Continuing Legal Education cancels a seminar in which you are enrolled, you will be contacted at the email address you provided when registering, so please be sure to provide a valid email address.

For more information regarding administrative policies such as complaint and refund, please contact our offices at (919) 962-7815.

**Location**

The Tax Institute will be held at the Carolina Club in the George Watts Hill Alumni Center on the UNC campus.

**Course Credit**

**CLE Credit for Attorneys:** The Tax Institute is accredited for 15 hours (including 2.0 hours of ethics) under the N.C. State Bar Mandatory Continuing Legal Education requirements.

**CPE Credit for CPAs:** The Tax Institute is recommended for 18 hours of CPE (taxes) credit (including 2 hours of ethics). UNC School of Law is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education. UNC School of Law Office of Continuing Education is registered with the National Registry of CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org).

**CLE and CPE Credit in Other States:**

Please indicate states in which you would like to receive credit on your registration form, and we will assist in that process. Payment of out-of-state fees is the responsibility of the attendee.
☑ Yes, please register me for The J. Nelson Young Tax Institute!

### REGISTRATION INFORMATION

Please provide us with the following information (please print or type):

- [ ] Mr.  [ ] Ms.  [ ] Mrs.  [ ] Dr.  [ ] Judge  
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- Firm/Company ____________________________________________
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- City ______________________________________________________
- State ___________________________ Zip ____________
- Daytime Phone ( ______ ) __________________________
- Fax ( ______ ) _____________________________________
- Email address _______________________________________
- Name, as you would like it to appear on nametag: ____________________________

☐ I would like to receive CLE credit in North Carolina. 
My N.C. Bar number is: ______________________.

☐ I would also like to receive CLE credit in the state of ____________________, and the Bar Number* is ______________________.

* Please include your bar number, appropriate address, and any other needed information if attendance verification is required. Out of state Bar reporting fees are the responsibility of the registrant.

Occupation:  ☐ Attorney  ☐ CPA  ☐ Other ____________________ (please specify)

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Additional Copies of the Tax Institute Manuscript $150.00

**Total Enclosed:** ____________________________________________

* GROUP DISCOUNT! Send 3 or more from the same company and save $25 on EACH registration.

If you have questions about registration or the courses, please contact the Carolina Law Office of CLE at (919) 962-1679.

You may register

- **Online:** Now register online at www.law.unc.edu/cle
- **By Fax:** With a credit card number (919) 843-7779 VISA and MasterCard
- **By Mail:** Office of CLE, UNC School of Law, CB # 3380, Chapel Hill, NC 27599-3380, ATTN: Tax Registration

Checks payable to UNC-CLE (no staples please)

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