



Advanced LLCs And Partnerships: *Organization, Operation, Tax And Securities Issues*

This one-day seminar is designed for attorneys, accountants, controllers, CFOs, business owners, presidents, vice presidents, tax managers, financial planners, real estate professionals, enrolled agents and lenders.

**Oakbrook Terrace, IL
November 4, 2005**

Bradford E. Block

Law Offices of Bradford E. Block

Nancy Fallon-Houle

*Nancy Fallon-Houle P.C., Corporate &
Securities Lawyer*

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Altschuler, Melvoin and Glasser



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8:30 a.m. - 8:50 a.m.

I. Formation: Legal And Tax Issues

- A. Choice Of Entity And Comparison Of Them
- B. Jurisdictional Choice
- C. Tax Consequences Of Formation - To Founders And To Entity

- J. Investor-Negotiated Terms And Control
- K. Notice Filings Required
- L. Use Of Unregistered Money Finders

11:25 a.m. - 11:30 a.m.

VII. Questions And Answers

8:50 a.m. - 9:20 a.m.

II. Name Search, Articles Of Formation, Capital Contributions

- A. Importance Of Name Search Before Formation
- B. Articles Of Formation: Provisions To Include
- C. Filing FEIN, State Revenue Department, County
- D. State Qualifications To Do Business And Sales Tax Issues
- E. Local And City Licensing, And Professional Licensing
- F. Capital Contributions: Form, Timing, Effect
- G. Percentage Of Ownership; Per Capita vs. Per Capital
- H. Ownership Tax Issues: Calculating Basis Limits, At Risk Rules; Debt Allocations

11:30 a.m. - 12:30 p.m.

Lunch (On Your Own)

12:30 p.m. - 1:20 p.m.

VIII. Businesses Ventures Using LLCs And LPs

- A. Hedge Funds And Trading Funds
- B. Other Types Of Funds, Including Real Estate Fund

9:20 a.m. - 10:00 a.m.

III. Management, Control, Liability, Indemnification, Operations

- A. Management And Control
- B. Multiple Classes Of Ownership - Legal Issues
- C. Multiple Classes - Tax Issues
- D. Operation Of The Entity And Voting Rights
- E. Personal Liability And Indemnification Of Owners And Managers
- F. Effect Of Early Founders Rights On Later Transactions

1:20 p.m. - 1:45 p.m.

IX. Distributions To Owners Or Investors

- A. Allocations To Partners
- B. Passive Activity Loss Issues Handling At-Risk
- C. Disguised Payments For Services
- D. Substantial Economic Effect
- E. Current Distributions vs. Liquidating Distributions
- F. Redemptions

1:45 p.m. - 2:25 p.m.

X. Buy-Sell Agreement Among Founding Members

- A. Business Succession
- B. Options, Rights Of First Refusal And Mandatory Purchase Obligations
- C. Triggering Events
- D. Entity Purchase vs. Cross-Purchase By Other Owners
- E. Funding Of Purchases

10:00 a.m. - 10:10 a.m.

Break

2:25 p.m. - 2:35 p.m.

Break

10:10 a.m. - 10:20 a.m.

IV. Minority Owners' Rights

2:35 p.m. - 3:15 p.m.

XI. Transfers, Conversions And Exchanges Of Interests

10:20 a.m. - 10:55 a.m.

V. Fiduciary Duties And Conflicts Of Interest

- A. Comparison Of Duties Between Entity Types vs. Corporations
- B. Fiduciary Duties Between Principals And The Entity
- C. Fiduciary Duties To And Among Principals
- D. Definition And Limitation Of Fiduciary Duties - Extent? Consequences?
- E. Corporate Opportunity Doctrine Applied To LLCs And LPs
- F. Piercing The Corporate Veil Of An LLC Or LP
- G. Conflicts Of Interests: Actions And Disclosures

- A. Transferability Of Interests: Liquidity And Legality
- B. Corporate, Legal And Contractual Restrictions
- C. Securities Law Issues And Substance Over Form
- D. Transfer Upon Sale Or Exchange Of Partnership Assets
- E. Tax Consequences Of Transactions

10:55 a.m. - 11:25 a.m.

VI. Securities Law - Issuing Interests Outside The Founders

- A. What Is A Security? When Do Securities Laws Apply To Business Ventures?
- B. Consequences Of Non-Compliance
- C. Effects On Later Rounds Of Funding Or On Sale Of Business
- D. Equity Incentives To Employees And Directors
- E. Raising Capital From: Friends And Family; Industry Partners; Angels And VCs
- F. 1933 Act Exemptions Under Regulation D Rule 506 And 4(2)
- G. Due Diligence - Conducting It And Surviving It
- H. When Disclosure Is Required And What To Include
- I. Why Posting A Business Plan Or Offering Memo On A Web Site Is Illegal

3:15 p.m. - 3:40 p.m.

XII. Departure Or Removal Of Partners, Termination And Dissolution Of Entity

- A. Removing A Partner - Difficulty, Tax, Legal
- B. Death, Withdrawal Or Retirement Of Partners
- C. Cessation Of Business Activity
- D. Dissolution Of The Entity
- E. Disassociation

3:40 p.m. - 4:20 p.m.

XIII. Estate Planning And Asset Protection: Highlights

- A. Who Benefits From Estate Planning And Asset Protection?
- B. Use Of Family Limited Partnerships And LLCs As Estate Planning Tool
- C. Use Of LLCs And LPs As Asset Protection Device
- D. Discounts, Estate Tax Planning Strategies To Leverage Valuation Discounts
- E. IRS Positions And Attacks: Hackl, et al.

4:20 p.m. - 4:30 p.m.

XIV. Questions And Answers

Our Distinguished Faculty

Bradford E. Block, managing partner of the law firm of Block Caron & Lyon LLP for 15 years, recently established the Law Offices of Bradford E. Block in Northbrook, Illinois. He received his B.S. degree from the Wharton School of the University of Pennsylvania and his J.D. degree from DePaul University College of Law. Mr. Block has significant expertise in preparing and negotiating business and technology contracts; debt and equity financing transactions; intellectual property purchase/sale and license agreements; restructuring of business ventures, shareholder, limited liability company and partnership agreements; due diligence; equipment leasing/secured transactions; securities law related to private placement offerings; and tax law. He has taught courses at DePaul University College of Law in business planning, accounting and the law, and partnership law. Mr. Block is a member of the American Bar Association and the Illinois State Bar Association. He is co-author of the *Equipment Leasing Monograph* (2005 edition) published by Matthew Bender.

Nancy Fallon-Houle has practiced corporate, business and securities law for 19 years. She practiced at the large Chicago law firm of Katten Muchin & Zavis for 12 years, focusing on corporate transactions, private placements and public offerings. In 1998, she founded a boutique corporate and securities law firm in Chicago's west suburbs. Ms. Fallon-Houle represents small businesses in their corporate and securities law matters, including business formations and transactions, shareholder and LLC agreements, and securities laws of private placements for emerging companies and hedge funds. She handles securities compliance matters under SEC Regulation D and Blue Sky for private offerings, as well as registration of investment advisers with SEC and states. Prior to her career in law, Ms. Fallon-Houle had seven years of business and accounting experience, and earned an undergraduate degree in accounting. She has been active with the Securities and Exchange Commission's Small Business Capital Formation Forum since 1998, including having contributed to writing of legislative proposals to change federal securities laws to enhance small businesses capital formation.

Mark W. Mirsky, CPA is a tax partner for the taxation and management advisory services at ROI Business Services, LLC. Mr. Mirsky practices in partnership and multistate taxation. While he concentrates on manufacturing, distribution, construction and related industries, he also services a variety of clients including assisting startup businesses, technology and web-based companies, service firms and individuals. Mr. Mirsky assists clients with multistate taxation, international taxation, acquisition and disposition of a business, cost segregation studies, research and experimentation credit studies, international taxation, construction and wealth planning. His background includes working at the largest accounting firm in the world in their international tax group. In addition, Mr. Mirsky has worked for two middle-market firms focusing on closely held business, where he was a firm-wide resource for partnership taxation and multistate taxation.

Charles W. Murdock is a professor at Loyola University Chicago School of Law, where he formerly served as dean. After he resigned as dean, he was appointed deputy attorney general for the state of Illinois and, after serving in that capacity, returned to Loyola as a professor of law. Dr. Murdock drafted the 1983 Illinois Business Corporation Act and was on the committee that drafted the Illinois modifications to the Uniform Limited Liability Company Act. He is the author of a two-volume treatise in business organizations, and has published articles in the *California Law Review*, the *Hastings Law Review*, the *Notre Dame Law Review* and the *Washington Law Review*, as well as other journals.

Lynne Weil, CPA is a CPA and senior manager in Altschuler, Melvoin and Glasser's Financial Services Group. Ms. Weil concentrates on audits and taxation for hedge funds, fund of funds, investment advisors and commodity pools. She has more than 15 years of experience in developing audit procedures and preparing tax allocations for complex strategies, including risk arbitrage, derivatives trading, convertible trading, distressed debt and equity, and other specialized investment strategies. Ms. Weil also has extensive experience with master/feeder structures. She graduated from the University of Denver. Ms. Weil is currently a member of the Illinois CPA Society and 100 Women in Hedge Funds, and serves as the chairman of the Budget and Finance Committee for LaSalle Language Academy (a Chicago public school).

The Benefits For You

This program covers a broad range of corporate law, tax, securities law, fiduciary duty, conflicts and practical business issues in forming, funding, operating and dissolving an LLC or partnership. This intermediate-to-advanced course will cover those topics in depth and is designed for persons who have some previous knowledge of the basics of business formations. The program will, however, cover new developments and fresh insights into some of the basic concepts. The course will also cover high points of estate planning and asset protection for owners of the entity.

The program will include points on operating specific types of LLCs like hedge funds, real estate funds and equipment leasing deals. The speakers will fold in practice tips and notes of traps for the unwary within topics. Each area will be taught by seasoned lawyers or CPAs with subject matter experience. The course is intended for professionals who want to understand a myriad of LLC and partnership issues at a level above the basics.

Seminar highlights:

- Legal and tax issues
- Management and control
- Securities law
- Business ventures using LLCs and LPs
- Estate planning and asset protection

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Lunch Break: 11:30 a.m. - 12:30 p.m. (On Your Own)

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FACULTY: Julianna A. Clementi and Scott Nathanson both of Cole Taylor Deferred Exchange Corporation and Edward J. Hannon, Esq. of Freeborn & Peters, LLP. ©2005. 196 pages.

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FACULTY: Pam McKay of Advanced Business Concepts, Constance L. Ochs, CPA/ABV, ASA, CFE of RSM McGladrey, Inc., Arthur L. Smith and Robert Haldiman both of Husch & Eppenberger, LLC and Rod Wallace of Insurance Record Services, Incorporated. ©2004. 170 pages.

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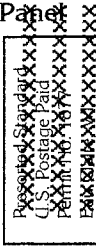
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