ROBERT E. WARD AND ASSOCIATES, P.C.

Integrated Tax and Legal Solutions

ATTORNEYS-AT-LAW

OUR FIRM

Our attorneys provide state-of-the-art tax expertise for legal issues involving businesses and individuals. We turn tax problems into opportunities by offering creative tax planning and legal solutions.

Our firm views each client as unique. Our attorneys customize solutions to achieve each of our client's goals and objectives. We clarify abstract tax and legal concepts enabling our clients to make informed decisions.

We are devoted students of the revenue laws. We monitor tax code changes on behalf of our clients. Our attorneys have years of experience in applying the tax code to business transactions and estate planning, and in representing taxpayers before the IRS.

"This is a testimonial regarding the firm of Robert E. Ward and Associates, This is a testimonial regarding the firm Robert E. Ward and Associates, This is a testimeni al regarding the firm Robert E. Ward and Associates," - Bob Jones, CEO, ACME co.

Comprehending and complying with the Internal Revenue Code can be intimidating for clients and tax professionals. We are the firm CPAs call when they have a tax problem. We teach other attorneys to become better tax lawyers. Above all, we provide our clients with solutions that achieve the strongest possible tax advantage, accomplish long-term goals and place their minds at ease.

TAX PRACTICE

Our firm offers a unique integration of tax and legal solutions.

Here is why this integration is important. In most large law firms tax lawyers operate as "transactional" attorneys. Their involvement in client matters is limited to specific issues. At the same time, while trust and estate attorneys in these firms perform estate planning—*they don't necessarily practice tax law. We provide both services in an integrated fashion.* This combined expertise is the most valuable type of legal consultation available. It is our niche.

"This is a testimonial regarding Tax Services This is a testimonial regarding Tax Services This is a testimonial regarding Tax Services..." - John Smith, Streetside Grocery Co.

What does this integrated capacity mean for you as a client? It means our firm provides strategies mindful of your particular situation. Achieving overall integration of your business planning, asset-protection planning and estate planning is fundamental to attaining lasting financial success. But often such integration is overlooked. We provide our clients with the knowledge to combine these frequently exclusive areas and accomplish their goals.

Our firm comprises a team of seasoned tax attorneys with expertise in varied aspects of the Internal Revenue Code. For example, our attorneys include specialists in estate administration and representation of private individuals before the IRS.

LEGAL SERVICES FOR INDIVIDUALS

Our firm offers private individuals comprehensive solutions for all tax-related concerns—coordination of tax, estate and asset-protection planning.

Our attorneys provide a complete array of tax-related services for individuals and families including: estate planning, IRS taxpayer representation, planning for disability, premarital and post-marital agreements, asset protection planning, probate and post-death tax planning, pre-immigration and expatriation planning, and tax planning for real estate transactions.

Estate Planning

The firm advises clients regarding the full range of sophisticated transactions and techniques used to reduce or eliminate federal estate and gift taxes and state estate inheritance taxes. We develop comprehensive estate plans and structure ownership arrangements which result in substantially discounted estate valuation. We provide creative solutions to reduce or eliminate federal and state estate and gift taxes over multiple generations. We also develop lifetime gifting programs that enable our clients to save substantial income taxes.

- Wills
- Revocable ("Living") Trusts
- Irrevocable Trusts
- Irrevocable Life Insurance Trusts (foreign and domestic)
- Qualified Domestic Trusts
- Generation-Skipping Trusts
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Qualified and Non-Qualified Personal Residence Trusts
- Grantor Retained Annuity and Unitrusts
- Section 2503(c) Trusts for Minors
- Private Foundations
- Family Limited Partnerships

IRS Taxpayer Representation

The practice assists taxpayers who have pending issues with the examination division of the Internal Revenue Service, including representation in appellate conferences and in the United States Tax Court. The firm also represents taxpayers in negotiations with the collections division of the IRS and prepares installment agreements and offers-in-compromise to assist taxpayers with reasonable resolutions of their tax debts. In addition, we advise clients filing overdue tax returns regarding their filing obligations and their potential exposure to civil and criminal penalties.

Planning for Disability

Rising health-care costs, concern over long-term care and increased longevity have led to an emphasis on planning for disability. We help clients to ensure their wishes will be followed should they become disabled. The firm also assists individuals planning for the care of children and others with "special needs" by devising legal instruments which address these special circumstances.

- Advanced Medical Directives
- Living Wills
- Durable Powers of Attorney

Premarital and Post-marital Agreements

The practice structures marital agreements that protect pre- and post-marital assets and property interests.

Asset Protection Planning

The firm advises clients on various strategies to insulate assets from creditor claims, forced heirship laws and spousal property rights (whether involving divorce or death). We analyze the advantages and disadvantages of transferring assets to:

- Foreign Asset Protection Trusts
- Domestic Asset Protection
- Foreign Sole-Purpose Trust Companies
- Foreign Limited Partnerships
- Foreign Limited Liability Companies
- Family Members by Gift

Probate and Post-Death Tax Planning

The firm assists clients in administering a decedent's estate, including preparation of all state probate documents and federal and state estate tax returns. The firm also advises on various opportunities for post-death estate and income tax planning. Text is for placement only. Text is for placement only. Text is for placement only.

Pre-Immigration and Expatriation Planning

The firm advises clients on the advantages and disadvantages of renouncing United States citizenship to escape U.S. tax laws. The firm also advises foreign citizens who intend to immigrate to the U.S. regarding wealth-transfer transactions designed to insulate assets from U.S. income, estate and gift taxation.

Tax Planning for Real Estate Transactions

The firm advises clients on various strategic methods for owning and disposing of real estate, including assisting clients in structuring simultaneous or deferred like-kind exchanges of real estate, classifying owners as dealers or investors, and providing advice to non-U.S. citizens selling U.S. real property interests.

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LEGAL SERVICES FOR BUSINESESS

Our firm provides the complete range of legal services for businesses within virtually every sector of the local economy. These services cover formation of the business, operations, sale of the business, and protection of the business' proceeds.

Our firm is acutely aware of asset-protection issues. We view the business as an asset of the business owner and his family. As a result, we integrate business planning with estate planning, and work to ensure the appropriate people enjoy the benefits of our clients' efforts.

Business Formation Planning

The firm advises clients regarding the advantages and disadvantages of choosing different entities through which business may be conducted. We evaluate the design of debt and equity interests within such entities to limit personal liability and minimize federal income, estate and gift taxes.

- S Corporations
- C Corporations
- Limited Liability Companies
- Limited Liability Partnerships
- General Partnerships
- Limited Partnerships

Purchases & Sales of Business

The practice represents individuals, corporations, partnerships, limited liability companies and other entities purchasing and selling businesses and business interests with emphasis on preserving and using net operating losses and other tax attributes. We provide assistance, support and planning advice in negotiating business mergers, acquisitions, taxable and non-taxable dispositions of corporate assets and divisive and non-divisive reorganizations.

- Letters of Intent
- Purchase Agreements
- Option Agreements
- Lease Agreements
- Security Agreements
- Management Agreements
- Financing Statements
- Promissory Notes

Capital Formation

The firm assists clients in raising private capital through public and private placement transactions, primarily under Regulation D of the Securities Act of 1934.

- Private Placement Memoranda
- Security Subscription Agreements
- Investor Suitability Questionnaires
- Regulation D Filings
- State Blue Sky Registrations

Business Succession Planning

The practice advises clients concerning arrangements to protect the value and continuing profitability of privately-held businesses if an owner dies, becomes disabled, retires, terminates employment, or when owners cannot resolve disputes among themselves concerning the business' operation.

- Buy-Sell Agreements
- Purchase Options
- Buy-Sell Agreement Trusts
- Promissory Notes
- Insurance Trusts

Over-run

SIX THINGS EVERY BUSINESS OWNER SHOULD KNOW ABOUT SELLING A BUSINESS

It makes a difference what you sell. When a business in conducted in corporate form, the owner of the business can sell either the stock of the corporation (which owns and conducts the business) or the assets of the business. Many purchasers prefer to buy only the assets in order to avoid undisclosed liabilities. Unfortunately, sale of the assets often doubles the amount of taxes because sale proceeds are taxed first to the corporation and then a second time when the corporation distributes the proceeds of the sale (net of the corporate tax) to the owner of the corporation.

It makes a difference who buys. The financial capability of the purchaser of a business has a tremendous impact on the structure of the transaction. A purchaser with adequate financial resources can afford to pay the entire purchase price in cash at closing. A purchaser with less than adequate financial resources will require financing. That financing may come from a third party lender (such as a bank) or it may come from the seller. If the financing comes from a third party lender, the lender will become intimately involved in the details of the transaction and may require—even though the entire sales price is paid in cash at closing—that the seller guarantee or assume part of the risk for the purchaser's repayment of the amount financed. Alternatively, if the seller provides financing, the unpaid portion of the purchase price will be evidenced by the purchaser's promissory note and the seller continues to be at risk for the unpaid balance of the purchase price.

It makes a difference who sells. As explained above, if the business is sold by the corporation (in an asset sale) the amount of taxes may be substantially greater than if the business is sold by the owner (in a stock sale). However, it also makes a difference who owns the business at the time of sale. Regardless of whether the business is conducted by a corporation, partnership, or some other form of entity, if ownership of the company is transferred immediately prior to the sale to a family member in a lower tax bracket than the transferor, the amount of taxes paid on sale of the business can be reduced. If ownership of the business is transferred to an appropriate type of trust, the amount of taxes paid on sale of the business can be reduced to zero.

It makes a difference what the seller receives. At closing the seller of a business can receive cash, the purchaser's promissory note, or stock of the purchaser. In an all-cash transaction, one hundred percent of the consideration paid by the purchase to the seller will be subject to taxation in the year the sale and closing occur. If the consideration takes the form of the purchaser's promissory note (or a combination of a cash down payment and note), the sale proceeds will be subject to tax in the years in which the installment payments are received by the seller. If the consideration takes the form of the purchaser's stock, the taxation of the sale proceeds can be deferred until the year in which the seller actually sells the stock of the purchaser which was received in the transaction.

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