



ALVAREZ & MARSAL TAXAND

RESTRUCTURING TAX SERVICES



ALVAREZ & MARSAL

TAXAND

Alvarez & Marsal (A&M) Taxand's core capabilities in turnaround and restructuring, as well as our operational heritage, allow us to bring a sense of urgency to all situations. We not only advise on tax implications in distressed environments, but can also serve in interim management roles when necessary.

A&M Taxand has assembled a team of highly experienced restructuring and bankruptcy tax professionals to assist financially distressed companies in analyzing relevant tax and financial considerations, as well as to assist in evaluating restructuring options. Our restructuring and bankruptcy tax professionals have extensive experience working with debtors, creditors, creditor committees, hearing examiners, potential acquirers, investors and sellers in distressed companies, both in bankruptcy and out-of-court restructurings.

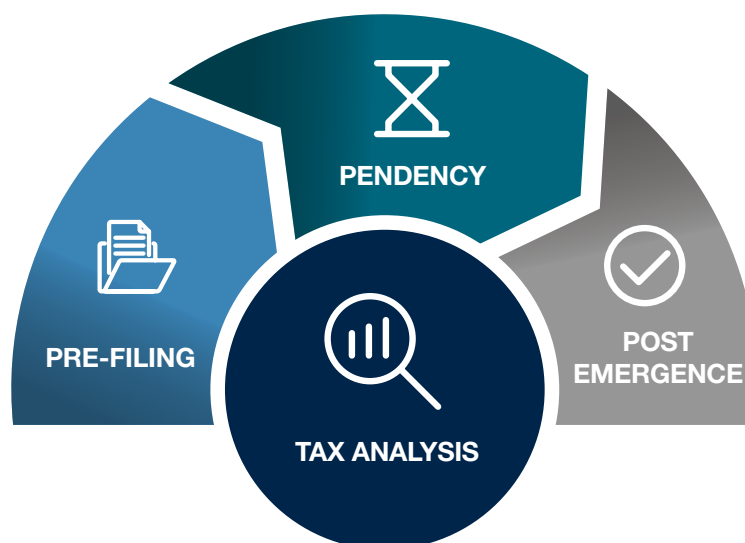
Many of A&M Taxand's Managing Directors have led successful tax practices or previously served as national technical resources in the world's largest public accounting firms. Because A&M does not offer audit services, neither we nor our clients spend any time clearing independence issues – a time-consuming process that reduces effective and responsive client service. Instead, we partner with clients to serve and advocate in their best interest.

OUR SERVICES:

A&M Taxand helps address the many complex issues posed by distressed companies and those going through bankruptcy, as well as facilitate the comprehensive analysis of critical tax issues, including:

Restructuring and Pre-Bankruptcy Related Services:

- Assist in evaluating the tax aspects relating to out-of-court restructuring options (i.e., issuance of equity for debt, a debt-for-debt exchange or modification of existing debt terms)
- Assist with legal entity rationalization planning to simplify structure, remove costs and package unwanted assets for carve-outs / disposition
- Conduct carve-out / sell-side planning involving restructuring unwanted and / or fire-sale assets to mitigate taxable gains and maximize loss-generating transactions
- Analyze the tax aspects of settling intercompany debt accounts to mitigate and potentially avoid unexpected income resulting from cancellation of debts
- Analyze material tax attributes (e.g., net operating losses (NOLs), tax credits, etc.) as well as assess the availability of and limitations on such attributes (Section 382 / 383 considerations)



Bankruptcy Related Services:

- Act as interim tax department management
- Assess the need for tax-related first day orders (stock and debt trading orders to qualify for a Section 382 (l)(5) plan)
- Analyze material tax attributes for current and prospective periods (e.g., NOLs, earnings and profits (E&P), tax basis) including the development of detailed tax models and attribute preservation
- Analyze timing and impact of cancellation of indebtedness income
- Prepare tax basis balance sheets
- Conduct legal entity simplification / rationalization
- Analyze the impact of any existing tax sharing agreements
- Assist with international / global tax planning related to foreign source income, cash repatriation and minimizing withholding tax obligations
- Assist with the various bankruptcy emergence-related matters including fresh-start accounting, income tax provision preparation and post-emergence tax needs
- Prepare and / or manage required tax filings – multistate, federal and international
- Perform tax jurisdiction audit management functions, working directly with federal and state auditors to efficiently complete ongoing tax audits
- Assist with analyzing the tax aspects of employee benefits / plans and incentive programs

CLIENTS CALL US WHEN:

A&M Taxand has the ability to deal with all aspects of tax as a company considers its restructuring and bankruptcy options. We have the experience and knowledge to address tax matters including the ability to act as an interim / outsourced tax department to address the day-to-day tax needs of troubled companies. From considering options prior to bankruptcy, as well as dealing with pre-petition matters, to advising on common issues taxpayers face during a pending bankruptcy or post-emergence, A&M Taxand is well equipped to assist. Throughout the restructuring process, we have the ability to resolve tax matters in a strategic and efficient manner with a bias toward action.

CLIENT SUCCESS STORIES

Our professionals bring deep experience across a multitude of industries, including energy, financial, utility, manufacturing, healthcare, hospitality, real estate, retail and transportation.

A&M Taxand professionals have partnered with clients to:



Serve as an expert witness on a tax sharing agreement dispute resulting in over \$1 billion of NOL value to the legal entity represented



Assist with the preparation and filing of a private letter ruling (PLR) received in connection with a change of control (Section 382) provision, as well as the timing of cancellation of debt income



Calculate and substantiate the timing and character of worthless stock deductions resulting in 80 percent recharacterization as ordinary versus capital deductions, maximizing value in the carry forward period



Develop and enforce Section 382(l)(5) tax planning to preserve and protect certain tax attributes (i.e., NOLs and tax credits)



Analyze potential built-in gain (BIG) tax that may be triggered in connection with distressed asset sales. Proposed alternative structures to minimize tax impact to the entity and maximize recovery from asset sales



Manage multistate income and sales tax audits throughout bankruptcy process to successfully reduce substantial state tax assessments and recover multi-million dollar refunds of overpaid state taxes

CONTACT

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ABOUT ALVAREZ & MARSAL TAXAND

Alvarez & Marsal Taxand, an affiliate of Alvarez & Marsal (A&M), a leading global professional services firm, is an independent tax group made up of experienced tax professionals dedicated to providing customized tax advice to clients and investors across a broad range of industries. Its professionals extend A&M's commitment to offering clients a choice in advisors who are free from audit-based conflicts of interest, and bring an unyielding commitment to delivering responsive client service. A&M Taxand has offices in major metropolitan markets throughout the U.S., and serves the U.K. from its base in London.

Alvarez & Marsal Taxand is a founder of Taxand, the world's largest independent tax organization, which provides high quality, integrated tax advice worldwide. Taxand professionals, including almost 550 partners and more than 2,500 advisors in 50 countries, grasp both the fine points of tax and the broader strategic implications, helping you mitigate risk, manage your tax burden and drive the performance of your business.

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AlvarezandMarsal.com or **Taxand.com**

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