

## Tax Group of the Year: Mayer Brown

By **Caroline Simson**

*Law360, New York (January 15, 2016, 6:10 PM ET)* -- Mayer Brown LLP's tax practice in 2015 successfully challenged the IRS on behalf of chipmaker Altera Corp. in one of the most important federal tax cases of the year and guided European telecommunications giant Altice's expansion into the U.S., earning the group a spot among Law360's Tax Practice Groups of 2015.



With more than 140 lawyers spread across the firm's locations throughout the world — including New York, Chicago, Rio de Janeiro, London, Sao Paulo, Paris, Singapore and Hong Kong — both the transactional side and the controversy side of Mayer Brown's tax practice enjoyed a banner year in 2015, working on precedent-setting cases and multi-billion dollar transactions.

That both sides of the practice brought home multiple successes didn't come as a surprise to Jason Bazar, the co-chairman of the firm's tax transactions & consulting practice, and Brian Kittle, the co-chairman of the tax controversy & transfer pricing practice, who told Law360 that it's the breadth and depth of Mayer Brown's tax practice that sets it apart.

"A lot of people ask us how are we able to handle so many large matters, and I think a lot of it is we have such a depth of experience and breadth of experience all the way from the partner level down to associates," said Kittle.

And that experience doesn't just help one side of the practice or the other. In fact, the transactional team often finds itself seeking guidance from the controversy team whenever a client might be considering a major transactions. That way, they'll know they've got the inside scoop on whether their deal might raise eyebrows at the Internal Revenue Service, Bazar said.

"So few firms have that size and experience in terms of the controversy, and it gives us an additional way of looking at transactions and deal work that is a real value to clients," he said. "We can really

assess based on our experience with the IRS how they're going to view the transaction, and if there are issues, what issues they'll focus on."

Kittle noted that he worked with Bazar on three transactions in the past year, drawing on his experience litigating and defending transfer pricing structures before the IRS to help those companies see what sort of roadblocks they may face.

The experience Mayer Brown's tax attorneys draw on comes from working on cases that garner nationwide attention, such as the one brought by Altera Corp. challenging an IRS rule requiring cost-sharing agreements to include the costs of stock-based compensation. A Mayer Brown controversy team worked with a Baker & McKenzie LLP team to convince the U.S. Tax Court that the rule did not reflect reasoned decision-making by the government.

In a 15-0 opinion, the court said the IRS failed to sufficiently explain its belief that the cost-sharing rules were consistent with the arm's-length standard and ignored significant evidence that it was not. The decision establishes new law concerning the limits of IRS rulemaking authority and the scope of the IRS's powers to reallocate income.

Also in 2015, a Mayer Brown tax controversy team tried two major cases in back-to-back multiweek trials before the U.S. Tax Court, representing Exelon Corp. in its challenge to like-kind exchange treatment involving the exchange of ownership interests in certain coal power plants for lease interests in other coal plants., and Eaton Corp. in a case of first impression over the Internal Revenue Service's cancellation of an advance pricing agreement with Eaton.

Not to be outdone, Mayer Brown's tax transactions and consulting side of the practice provided counsel on a host of noteworthy global transactions. In a landmark deal that closed in July 2015, Mayer Brown provided tax advice to Kaiser Foundation Health Plan in bringing to the first earthquake catastrophe bond sponsored by a non-insurance company. The offering raised \$300 million to provide Kaiser with risk capital in the event of a catastrophic earthquake in California, Oregon or Washington over the next three years.

Mayer Brown's transactions team also counseled Barclays Capital Inc., Credit Agricole and J.P. Morgan as underwriters of \$1.25 billion fixed and floating rate notes backed by non-prime auto loans in a deal that closed in January 2015. It advised The Dow Chemical Company in three transactions that involved complex multijurisdictional issues — the sale of the Angus Chemical Co. unit to Golden Gate Capital for \$1.2 billion in January 2015, the sale of its sodium borohydride unit to Vertellus Inc. in February, and the \$860 million sale of its AgroFresh post-harvest specialty chemical business to Boulevard Acquisition Corp. in April.

Among the largest of the deals Mayer Brown attorneys worked on last year were Altice NV's \$17.7 billion purchase of Cablevision in September and its \$9.1 billion deal for Suddenlink in May, which allowed the company to set foot in the U.S. market.

Mayer Brown lawyers also represented Altice's French subsidiary, Numericable, on the structuring of its €17 billion acquisition of SFR, France's second-largest telecom operator.

"Those deals were really interesting not just because they were nice big deals, but it was their first move into the U.S.," Bazar said. "To go into the U.S. and to go in so big, from having no presence to having this, and then to be able to structure those transactions to fit into their European structure ... was a very

creative planning and challenging and fun project."

--Additional reporting by Eric Kroh. Editing by Patricia K. Cole.

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