

SPEAKER'S CORNER

UPCOMING EVENTS

MARCH

February 28 – March 1, 2002

16th Annual National Institute on White Collar Crime 2002

Location: Fountainbleau Hilton Resort & Towers, Miami, Beach, FL

Moderator: **Bernard Bailor**

Bernard Bailor will serve as moderator on "Computer Fraud – Megabytes & Megaissues." The panel will discuss cutting edge issues, including encryption and computer monitoring devices, and new techniques for seizures and recovery of electronic data.

March 1, 2002

The Future of Campaign Finance Reform: Constitutional Challenges, Political Realities

Location: The Brookings Institution, Washington, DC

Speaker: **Trevor Potter**

Trevor Potter will take part in a panel discussing the upcoming Senate debate on campaign finance legislation, adjustments in campaign financing that political actors might have to make in response to new federal law, and the likely constitutional challenges. This briefing is being co-sponsored by the American Express Institute, the Brookings Institute, and the Campaign and Media Legal Center.

For more information, see:

<http://www.brookings.edu/dybdocroot/comm/transcripts/20020301.htm>

March 4, 2002

Briefing for Newly Enriched 9/11 Funders

Location: Davis, Polk and Wardell, New York, NY

Speaker: **Catherine Livingston**

This briefing is being co-sponsored by the Alliance for Nonprofit Governance, the Philanthropic Advisory Service of the Better Business Bureau, Lawyers Alliance for New York, and the New York Regional Association of Grantmakers. Catherine Livingston will be a panelist on "September 11 Disaster Relief Grantmaking: A Legal and Operational Guide."

For more information, see:

<http://www.angonline.org/events.asp>

March 11-12, 2002

Federal Bar Association's 26th Annual Tax Law Conference

Location: Washington Marriott, Washington, DC

Speakers: **Patricia Lewis** and **Stafford Smiley**

On March 11th, Stafford Smiley will take part on a panel discussion on "Current Developments in Subchapter S Taxation." On March 12th, Patricia Lewis will be a panelist on "Traps for the Unwary." Also, **Kent Mason** is serving as one of the chairs for the Employee Benefits & Exempt Organizations Issues Symposium.

For more information, see:

<http://www.fedbar.org/taxlaw02.pdf>

March 15, 2002

Washington Nonprofit Legal and Tax Conference

Location: JW Marriott Hotel, Washington, DC

Speaker: **Catherine Livingston**

The Organization Management Institute is sponsoring this conference. Catherine Livingston will speak on the "Internet and Tax Exempt Organizations."

March 26, 2002

The \$200 Billion Question: Understanding the Financial Impacts of Asbestos Litigation

Location: The Sheraton Hotel, New York, NY

Speaker: **Elihu Inselbuch**

Elihu Inselbuch will speak on the status of existing bankruptcies.

For more information, see:

http://www.towers.com/towers_events/events/events_frame_tillinghast.asp?target=sortdate_till.htm%23bill

APRIL

April 24-25, 2002

19th Annual Representing and Managing Tax-Exempt Organizations

Location: Georgetown University Law Center, Washington, DC

Speakers: **Catherine Livingston** and **Marcus Owens**

For more information, see:

http://www.law.georgetown.edu/cle/01_02/teo.html

April 24, 2002

American Petroleum Institute's Federal Tax Forum

Location: Houston, TX

Speaker: **Christopher Rizek**

NOTES & NOTABLES

February 15, 2002

UVA's 3rd Annual Conference on Public Service and the Law

Mortimer Caplin gave the opening remarks at this conference. Using the Enron debacle as a counterpoint, he emphasized the contrasting "durable satisfactions" realized by lawyers when serving the public interest. He then introduced the keynote speaker, Eli J. Segal, former Assistant to President Clinton and Americorps' first CEO and President.

HEAD OF THE CLASS

March 15, 2002

Location: George Washington University, Washington, DC
Faculty: **Lloyd Mayer**

Lloyd Mayer will be a guest lecturer for the legal and ethics issues class of the Nonprofit Management Executive Certificate Program.

Spring 2002

Location: American University Law School, Washington, DC
Faculty: **Milton Cerny**

Milton Cerny is teaching a course on "Non-Profit Organizations" at the law school this semester.

RECENT PUBLICATIONS

"Exempt Organizations Tax Update"

Tax Notes Today

February 22, 2002

By: **Marcus Owens**

Marcus Owens' speech on tax developments in fiscal 2001 that affect exempt organizations to the American Institute of Certified Public Accountant's 2001 National Not-for-Profit Industry Conference was reprinted in this issue.

"IRS Form 990 Donor Disclosure"

Tax Notes Today

February 14, 2002

By: **Marcus Owens** and Gregory Colvin

The article explains the problems caused by the IRS's release of completed Schedules B for the Form 990 despite a statement on the schedule saying it would not be released. The article also provides a few recommendations in resolving this issue. This article was presented and discussed at the American Bar Association, Tax Section, Exempt Organizations Committee meeting on January 18, 2002.

"Disaster Relief Activities of Charitable Organizations"

The Exempt Organization Tax Review

February 2002

By: **Catherine Livingston**

Ms. Livingston's speech before the New York Bar Association Tax Section on disaster relief activities by charities was published in this issue.

"Tax Accounting"

Corporate Business Taxation Monthly

February 2002

By: **James Salles**

The article addresses Notice 2001-76, the new IRS procedure permitting small taxpayers to use the cash method for sales and merchandise.

For more information, see:

www.caplindrysdale.com/db30/cgi-bin/pubs/Salles2-02.pdf

IN THE NEWS

February 28, 2002

“McCain-Feingold Legal Defense Team Takes Shape”

Roll Call

Trevor Potter is quoted about how a legal team has been organized to “review the legislative record and supervising the review of what Congress had done thus far” with respect to the campaign finance reform bill.

February 26, 2002

“The O’Reilly Factor”

Fox News Network

Marcus Owens appeared on this news commentary show. The five-minute segment was related to a front-page article in *The Philadelphia Inquirer* in which Owens was quoted regarding the increase in the number of charities created since September 11th.

February 25, 2002

“A Limit to Development, but Not to His Creativity”

The Philadelphia Inquirer

Marcus Owens was quoted in this story about conservation easements regarding a wealthy family who had relatives make hefty tax-deductible donations to a few preservation organizations in order to benefit the family’s interests without them being subject to capital-gains or gift taxes.

For more information, see:

<http://www.caplindrysdale.com/db30/cgi-bin/pubs/mso02-02.pdf>

February 23, 2002

“Scrambling for Dollars”

National Journal

Trevor Potter is quoted in this article about how Congressional Campaign Committees are attempting to raise as much soft money as they can now from donors since they will be prohibited from doing so once the campaign finance reform bill goes into effect.

February 22, 2002

“IRS, Eos Sometimes Find Benefits in Releasing Closing Agreements, Owens Says”

Tax Notes Today

The article discusses **Marcus Owens’** recent remarks at a program sponsored by the D.C. Bar Section of Taxation’s Tax Audits and Litigation Committee that focused on closing agreements between the IRS and taxable and tax-exempt organizations. Mr. Owens mentioned some benefits to the IRS in releasing closing agreements or information about closing agreements and the tools for settling exempt organization issues, such as determination letters and private letter rulings.

February 19, 2002

“CNN Money Morning Program”

CNN Financial

David Haffenreffer interviewed **Christopher Rizek** and **Daniel Rosenbaum** on the impact of the Enron debacle.

To see the interview in the third segment of the program, go to:

<http://money.cnn.com/services/video/bh/low/021902.html>

February 19, 2002

“Could Enron Collapse Lead to Big Five Losing Tax Work?”

Highlights & Documents

Christopher Rizek is quoted in this article about the need for auditor independence.

(This article is also published in the March 1, 2002 edition of Tax Practice & Controversies, the February 25, 2002 edition of State Tax Notes Magazine, and the February 19, 2002 editions of State Tax Today and Tax Notes Today, and the February 18, 2002 edition of Tax Notes.)

February 18, 2002

“Proposed IRS Capitalization Rules Raise Questions”

Tax Notes

James Salles is quoted in this article about the IRS’s new capitalization rules, which give advance notice of proposed regulations on capitalization issues.

(This article also appeared in the February 20, 2002 edition of Tax Notes Today.)

February 18, 2002

“Professional Announcements”

Legal Times

A professional announcement of our new members, **Lloyd Mayer** and **Rebecca Rosenberg**, was published.

IN THE NEWS

February 18, 2002

“IRS Addresses Public Disclosure Confusion in New Form 990”

Tax Notes

Marcus Owens is mentioned in this article about his reaction to how the IRS is trying to address the conflicting disclosure and privacy concerns that they face with donor information and the Form 990.

(This article also appeared in the February 13, 2002 edition of Tax Notes Today.)

February 17, 2002

“No One Watching 9/11 Charities”

The Philadelphia Inquirer

Marcus Owens is quoted in this article about the increase in the number of charities created since September 11th and how some of these charities have unrealistic missions, no experience doing charitable work, or no track record with raising funds from tax-exempt donations.

February 14, 2002

“ABC Channel 7 News”

WJLA-TV

Christopher Rizek, **Daniel Rosenbaum**, and **Richard Timbie** were interviewed by reporter Gail Pennybacker for a segment that aired on the 6:00pm newscast. The interview focused on expected changes in the accounting industry post-Enron, possible regulatory reforms aimed at restoring confidence to investors and the public in corporate financial documents, and how post-Enron changes will affect the average taxpayer.

February 14, 2002

“Error Snags Reform”

Roll Call

Trevor Potter is mentioned in this article about how the Shays-Meehan campaign finance reform bill would not allow for the repayment of hard money debts with soft money. Instead, the remaining soft money of political party committees can only be used to pay off debts incurred for soft money activities conducted in connection with the 2002 elections.

February 13, 2002

“The Diane Rehm Show”

WAMU 88.5 FM

Trevor Potter talked with the show's host about the debate and vote on campaign finance reform in the House of Representatives.

To listen to the program, go to:

http://www.wamu.org/dr/shows/drarc_020211.html

February 13, 2002

“Briefs”

The Wall Street Journal

Mortimer Caplin along with the other former IRS Commissioners is mentioned in Tom Herman's tax column about their recent meeting in Washington.

February 12, 2002

“B&W Solvency Ruling Uses Both Objective & Subjective Standards”

The Daily Bankruptcy Review

In regard to a bankruptcy court ruling involving Babcock & Wilcox, **Elihu Insulbuch**, who represents one of the plaintiffs in the case, mentions that the decision would most likely be appealed by whichever party didn't prevail.

February 11, 2002

“Budget Blueprint Includes Familiar Charitable Giving Incentives”

Tax Notes

In the article, **Robert Boisture** praises the raise in the cap on corporate charitable contributions from 10 percent to 15 percent of net income in the proposed federal budget for fiscal 2003. However, Mr. Boisture cautioned that “it may be insufficient for encouraging corporate giving” noting that the average corporate contributions are “well under” 5 percent.

(This article also appeared in the February 5, 2002 edition of Tax Notes Today.)

February 2002

“ABA Tax Section Meeting: EO IRS Officials Discuss Guidance, Other Projects on the Horizon”

The Exempt Organization Tax Review

Marcus Owens is mentioned about his concern over the IRS's release of completed Schedules B, Schedule of Contributors, submitted with the Form 990.

(This article also appeared in the January 28, 2002 edition of Tax Notes.)

For more information, please contact the Marketing Department at (202) 862-5000 or e-mail hcg@capdale.com.

IN THE NEWS

February 2002

“IRS to Publicly Release District Counsel Advice”
The Insurance Tax Review

Christopher Rizek discusses the usefulness of the IRS's District Counsel Advice Memorandums (DCAs) due to a recent settlement of an FOIA suit in which the IRS has agreed to begin publicly disclosing a limited category of these memorandums prepared by its field attorneys. *(This article also appeared in the January 4, 2002 issue of Tax Practice and the December 24, 2001 issue of Tax Notes.)*

February 2002

“IRS Concerned About FEC Proposal on Links to Candidate Web Sites”

The Exempt Organizations Tax Review

Marcus Owens is quoted in this article about the Internal Revenue Service's concern over the Federal Election Commission's proposal to permit some organizations to link their web sites to candidates seeking public office. The Internal Revenue Service believes this could conflict with the code's rules regarding partisan political activity by public charities and other exempt organizations. *(This article also appeared in the December 24, 2001 edition of Tax Notes.)*

February 2002

“Memos from Disclosable Litigation to IRS EO National Office Not Disclosable, Service Says”

The Exempt Organization Tax Review

In the article, **Marcus Owens** discusses how disclosure advice memos from the IRS Disclosure Litigation office to the Exempt Organization's National Office are not subject to disclosure to the public and are not considered as general counsel memorandums (GCMs). *(This article also appeared in the January 28, 2002 issue of Tax Notes.)*

CAPDALE SUCCESSES

A \$200 million endowment trust is being set-up for the Global Conservation Trust in order to launch the largest-ever program to replace a region in Afghanistan with a critical mass of seeds. The goal is to replace the lost and damaged seed stocks with new ones so that the Afghan farmers will be able to produce their own seed supplies to achieve food security for the people in Afghanistan. The program will also provide the farmers with appropriate technology and policies that are needed to restore the seed supply. Other money will be used to improve goat and sheep herds, restoring soil and water management, and reintroducing native fruit and vegetable crops. **Milton Cerny** is involved with helping the Global Conservation Trust in the set-up of this trust.