**UPCOMING EVENTS**

### FEBRUARY

**February 11-12, 2002**  
**Mealey’s Asbestos 101 Conference**  
Location: The Ritz Carlton, Pentagon City, VA  
Speaker: Peter Lockwood  
On February 12th, Peter Lockwood will serve on a panel entitled “Current Litigation Environment and the Future of the Litigation.”

**February 12, 2002**  
**Greater Washington Society of CPAs**  
Location: Washington, D.C.  
Speaker: Lloyd Mayer  
Lloyd Mayer will speak to the Not-for-profit Committee on “Lobbying, Political Activity, and the Internet.”

**February 13, 2002**  
**The Diane Rehm Show – WAMU-FM 88.5**  
Location: American University  
Guest: Trevor Potter  
Trevor Potter will be a guest on this hour-long radio show and will discuss campaign finance reform.  
To listen to the program, see:  
[http://www.wamu.org/dr/](http://www.wamu.org/dr/)

**February 19, 2002**  
**The Annual Virginia Nonprofit Conference**  
Location: University of Richmond Jepson Alumni Center, Richmond, VA  
Speaker: Marcus Owens  
Radford University is sponsoring the conference. Marcus Owens will give a tax update affecting nonprofits.

**February 21-22, 2002**  
**HarrisMartin’s Asbestos Law & Medicine Conference**  
Location: Coronado Island Marriott Resort, Coronado, CA  
Speaker: Peter Lockwood  
On February 22nd, Peter Lockwood will discuss bankruptcy issues and will give a status of new bankruptcies and the impact they have on litigation.  
For more information, see:  
[http://www.harrismartin.com/conferences.cfm](http://www.harrismartin.com/conferences.cfm)

**February 26, 2002**  
**Symposium on Election Reform**  
Location: Washington, DC  
Speaker: Trevor Potter  
Trevor Potter will serve on a panel entitled “Legal Issues and Implications of Election Reform” at this symposium being sponsored by the Georgetown Journal on Poverty Law and Policy.

**February 28, 2002**  
**Tax Executives Institute’s Currency and Financial Products Seminars**  
Location: Houston, TX  
Speaker: Rebecca Rosenberg

### MARCH

**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](http://www.angonline.org/events.asp)

**March 11-12, 2002**  
**26th Annual Tax Law Conference**  
Location: Washington, Marriott, Washington, DC  
Speaker: Christopher Rizek

**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.
February 1, 2002
New Partners
Lloyd Mayer and Rebecca Rosenberg have become members of the firm. Mr. Mayer concentrates his practice on exempt organization matters. Ms. Rosenberg’s practice is in international tax law.

January 14, 2002
Fox News
Mortimer Caplin was interviewed about President Bush’s recent pretzel choking and fainting spell. The interview elaborated on Presidential disability and succession to Office under the 25th amendment. Mr. Caplin, introduced as an “expert,” had been Vice Chairman of a study on “Presidential Disability” sponsored by UVA’s Miller Center and had worked on the report with former U.S. Attorney General Herbert Brownell and former Senator Birch Bayh.

January 2002
New Attorney
John Cunningham has joined the firm’s D.C. office as an associate. Mr. Cunningham focuses on civil litigation matters.

January 2002
“Ali”
Mortimer Caplin’s son, Lee Caplin, is the executive producer of “Ali”, the biography of Muhammed Ali. Ali, a former client of Caplin & Drysdale, is long known to the Caplins. Lee Caplin has been involved in films and television for some 20 years; in 1997 he received an Emmy for “The Old Man”, a CBS television production. “Ali” opened on Christmas Day receiving highly laudatory reviews.

“Taxes Covered By Section 960(a)(3)”
Tax Management International Journal
February 8, 2002
By: H. David Rosenbloom and Herman Bouma

“Payments from Israeli Corp. Were Dividends, Not U.S. – Source Compensation, Family Members Argue”
Tax Notes
Tax Notes International Magazine
January 14, 2002
By: Richard Timbie and Albert Lauber
A brief prepared by Richard Timbie and Albert Lauber for the U.S. Second Circuit Court of Appeals is published. The brief provides detail about a group of family members who argue that the payments they received from an Israeli corporation were in substance dividends and not U.S. source compensation. (This brief was also published in the January 7, 2002 edition of Tax Notes Today.)

“Tax Accounting”
Corporate Business Taxation Monthly
January 2002
By: James Salles

January 22, 2002
New Partner
Lloyd Mayer and two attorneys from other firms provided training on “Changes in Federal Income Tax Law for 2001” at Bolling Air Force Base to military staff who provide tax preparation assistance to members of the armed services. The training was provided pro bono, under the auspices of JAG and the IRS Volunteer Income Tax Assistance (VITA) program.

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February 5, 2002
“Enron Entanglements: Group Seeks Investigation of Reed’s Deal With Company”
The Atlantic Journal-Constitution
Trevor Potter is quoted as saying that the hiring of Georgia Republican Chairman Ralph Reed as a consultant for Enron could have been in violation of federal election law.
For more information, see: http://www.accessatlanta.com/ajc/

February 5, 2002
“Budget Blueprint Offers Familiar Charitable Giving Incentives”
Tax Notes Today
In the article, Robert Boisture praises the president’s budget, which raises the cap on corporate charitable contributions from 10 percent to 15 percent of net income but cautions that it may be insufficient for encouraging greater corporate giving.

February 4, 2002
“Tax Practitioners Praise IRS Reversal On Rite Aid”
Tax Notes
In the article, Christopher Rizek shares his opinion on the Internal Revenue Service’s decision not to appeal to the Supreme Court the Federal Circuit’s decision in Rite Aid Corp., et al. v. United States that the loss disallowance rule of regulation section 1.1502-20 is invalid.
(This article also appeared in the February 1, 2002 edition of Tax Notes Today.)

February 4, 2002
“Someone Isn’t Telling the Truth”
The Washington Post
Trevor Potter is mentioned in this article about his recent suggestion that Enron’s hiring of Ralph Reed while he was involved with the Bush presidential campaign “illustrates the close relations between the Bush political world and Enron.”

February 1, 2002
“Developments Planned For Prior Years Seen Happening in 2002”
Daily Tax Report
Patricia Lewis is quoted in the article about the Internal Revenue Service’s rewrite of the 1968 regulations on related-party services and other transfer pricing developments and also on the IRS’ announcement that it has selected a new litigating vehicle for the stock options issue under the 1996 cost sharing regulations. Jessica Katz is also quoted on how the finalization of the global dealing regulations under Sections 861 and 865 is not imminent according to an IRS official with whom she spoke.

January 31, 2002
“Asbestos Litigation Debate Warms Up”
CBS MarketWatch.com
The article gives an update of the debate on legal reform of asbestos liability cases since President Bush did not mention it during his recent State of the Union address. Elihu Inselbuch discusses in the article how asking the federal government to change the way asbestos litigation cases are handled in the court system will give companies “a pass for all the damage they’ve done in the past.”
For more information, see: http://cbs.marketwatch.com/news/story.asp?guid=%7B1D7784DA%2D65D3%2D43A5%2DACC1%2D3AB67B5E0788%7D&siteid=mktw

January 31, 2002
“Timing Key on Reform”
Roll Call
Trevor Potter is quoted in this article about when the Shays-Meehan bill should be debated and passed in Congress and signed by President Bush. There is also discussion as to when the proposed bill should go into effect after it is passed. The bill requires political campaign committees to no longer solicit or receive soft-money contributions. These committees will also have to dispose of the soft money they have already acquired either by electing to contribute unlimited amounts to 527 or 501(c) tax-exempt organizations or by refunding the money to donors.

For more information, please contact the Marketing Department at (202) 862-5000 or e-mail bcg@capdale.com.
January 29, 2002
“2 Top Positions in IRS Chief Counsel’s Office Turning Over”
Tax Notes Today
Caplin & Drysdale is mentioned in this article about the upcoming departure of Richard W. Skillman from the IRS as Acting Chief Counsel. Mr. Skillman was previously a partner with Caplin & Drysdale before he was appointed deputy chief counsel.  
(This article also appeared in the February 4, 2002 edition of Tax Notes.)

January 28, 2002
“Sanctions with Bite Could Affect Hospitals: Final IRS Rule Might Mean More Aggressive Enforcement, But It Includes Protections, Too”
Modern Healthcare
Marcus Owens discusses the final regulation made recently by the IRS that establishes excise taxes as a sanction against managers or board members of tax-exempt organizations who participate in “excess benefit transactions.”

January 28, 2002
“A.B.A Tax Section Meeting -- EO IRS Officials Discuss Guidance, Other Projects on the Horizon”
Tax Notes
Marcus Owens’ concern over the Internal Revenue Service’s release of completed Schedules B with names and addresses of donors redacted is addressed in this article.

January 28, 2002
“EO Disclosure Advice Memos Aren’t Disclosable, IRS Says”
Tax Notes
In this 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).

January 25, 2002
“Associates of Bush Aide Say He Helped Strategist Win an Enron Contract”
The New York Times
Trevor Potter is quoted in this article about how the recommendation to the Enron Corporation to hire Ralph Reed for consulting services could have been a violation of federal election law.

January 23, 2002
“Final Intermediate Sanction Rules Issued; Few Changes Made From Temporary Rules”
Daily Tax Report
Marcus Owens is quoted on how the Internal Revenue Service’s final rules on intermediate sanctions will be very useful for charities in structuring their transactions.

January 18, 2002
“Saudis May Seek U.S. Exit”
The Washington Post
Walter Slocombe is quoted in this article about how it would be difficult for the U.S. to defend Kuwait and Saudi Arabia if the U.S. didn’t have substantial air power in place.

January 11, 2002
“ABA’s Follow-Up Letter to Treasury About Treatment of Grants”
Tax Notes Today
Comments prepared by Catherine Livingston along with other members of the American Bar Association Section of Taxation 9/11 Tax Task Force are published. The comments supplement the task force’s prior request to the IRS about providing charitable grants to businesses affected by September 11th. It also provides examples of small and medium-sized businesses that have negatively been affected and would benefit from these charitable grants.  
(This article first appeared in the December 2001 issue of Tax Notes.)
January 2002
“EO Division Faces Challenges Two Years into Reorganization”

*The Exempt Organization Tax Review*

Marcus Owens is mentioned in this article.

(A similar article appeared in the December 7, 2001 issue of Tax Notes Today.)

Spring 2002
Place: New York University, New York, NY
Faculty: H. David Rosenbloom
On January 18th, David Rosenbloom began teaching a course on international taxation.

The *Reader’s Digest* published a story about one man’s vision to build a baseball stadium in Memphis in order to revive the struggling city. According to the article, Dean Jernigan’s family didn’t have a lot of money while he was growing up. He had three shirts to wear to school all year through. He discovered a passion for baseball because it gave him a place to go and feel connected.

In 1996, he decided to buy a baseball team known as the Redbirds and build a baseball stadium right in the heart of downtown Memphis. In order to build the stadium, he decided to set it up as a 501(c)(3) nonprofit organization. Caplin & Drysdale’s Milton Cerny and Lloyd Mayer were called upon to set-up and obtain the 501(c)(3) status for the new stadium and the Memphis Redbirds Baseball Foundation. The city and county paid $8.5 million for the stadium and the rest was financed through the sale of $72 million worth of tax-exempt bonds. To support the bonds, the Redbirds asked local companies to agree to long-term deals for naming rights, box suites and exclusive concessions.

By 1998, the new stadium called AutoZone Park was finally built. This new stadium brought light to the city of Memphis with many positive outcomes. The Redbirds drew more than 850,000 people last year, shattering the city’s all-time attendance record. The stadium also sparked a revival of Memphis’ downtown with plans for a new apartment development, a theater-and-entertainment complex, and a downtown school.

The foundation has also brought softball and baseball back to 37 schools in the area and has started a summer-league program with free lunches for underprivileged kids. Once the bonds are paid off and the foundation makes $8 to $10 million a year in profits, every penny will go to a charity that is involved with bringing baseball back into the hearts of many of the children in the inner city.