
Brainard L. Patton**Professional Summary**

Tax attorney specializing in international tax matters and corporate structuring. Formally retired in 2003 as International Tax Director for "Big Four" professional services firm in Boston, MA. Creative, energetic, articulate, self-starter with keen appreciation of impact of decisions on reported results of clients. More than thirty-five years' experience in all international tax areas, including corporate structure, transfer pricing, taxation of large projects, tax compliance throughout world, taxation of foreign-owned companies operating in the U.S., taxation of exchange gains and losses, and accounting for income taxes. Skilled at acquisitions, divestitures, and negotiating and drafting tax language for large contracts. Experienced at tax lobbying at federal level. Professor in international tax at Boston University School of Law (Graduate Tax Program) and Bentley College (Masters of Science in Taxation).

Education

Juris Doctor - **Boston University School of Law** - 1969 (top 15%)
BSBA in Accounting - **University of Tennessee** - 1966 (top 25%)

Work History

Private Practice 2003 to Present
Boston, MA

Advise corporate clients with respect to a variety of international tax matters, mainly related to corporate structuring and reorganizations as necessary to minimize U.S. and foreign income taxes with respect to international operations

PricewaterhouseCoopers 1997 to 2003
Boston, MA

Big Four professional services firm; International Tax Director, servicing various multinational clients with respect to international tax issues

Private Practice/Baker & McKenzie 1992 to 1997
Stamford, CT/New York, NY

Private practice of international tax law, joining New York office of Baker & McKenzie in 1995, servicing multinational clients with respect to international tax issues

ASEA BROWN BOVERI, INC. 1985 to 1992
Stamford, Connecticut

U.S. regional holding company for large (\$27.0 billion sales) Swiss joint venture producing power plants and electrical distribution and measuring equipment; International Tax Director; responsible for all international tax matters for group, reporting to U.S. CFO and VP of tax in Zurich

(Combustion Engineering Inc.) 1985 to 1990
Stamford, Connecticut

Fortune 150 corporation engaged in large international projects with 150+ foreign subsidiaries; acquired by ABB in 1990; International Tax Director; responsible for all international tax matters for group

Sperry Corporation 1981 to 1985

New York, New York

Fortune 100 U.S. conglomerate with operations throughout world in areas of computers, farm equipment, hydraulics, and aeronautics

Director of Tax Planning (New York, New York) 1983 to 1985
European Tax Counsel (Cobham, England) 1981 to 1983

Blue Bell Inc. 1977 to 1981
Brussels, Belgium

Fortune 500 manufacturer of consumer apparel; Manager of European Taxation

Price Waterhouse 1969 to 1977
Big Eight (then) firm of Certified Public Accountants

Tax Manager (Paris, France) 1972 to 1977
Assistant Tax Manager (Brussels, Belgium) 1971 to 1972
Tax Staff (Boston, Massachusetts) 1969 to 1971

Professional And Community

Executive Vice President of USA Branch of IFA (2006 to present); Vice President New England Region of USA Branch of International Fiscal Association (1997 to 2004); Member Executive Committee of USA Branch of IFA (2000 to present); Vice President of Westchester/Stamford Region of IFA (1994-1997); President of International Tax Association in New York, NY (1994 to 1996); Co-Chair of Tax Committee of Stamford-based Corporate Bar Association (1992 to 1997).

Lecturer in Law, Boston University Law School, Graduate Tax Program (1998 to present); Adjunct Professor, Bentley College MST program (1997 to 1996); Adjunct Professor of Law, Pace University Law School (1994-1996)

Published *Nexus Novus*, newsletter reporting on developments relating to international tax and, specifically, issues relating to tax presence in other jurisdictions (1992 – 1995)

Initial Treasurer and member of board of directors of Greenwich Teen Center, organization formed to renovate and operate facility devoted to drug-free environment for Greenwich youth

Commander, Captain Harbor Power Squadron, local squadron of U.S. Power Squadrons, organization devoted to promotion of boating safety through education (1995-1997)

Qualified to practice law in Massachusetts and Connecticut

Experience/Accomplishments

Hands-on involvement with all international tax matters relating to both U.S. and non-U.S. tax compliance, acquisitions and dispositions, dividend planning, U.S. and non-U.S. tax audits and litigation, monitoring legislative developments around world, structuring investments, restructuring corporate entities, and planning for large projects. Have operated as in-house tax counsel and as outside counsel with a law firm as well as with a Big 4 accounting firm. Specific accomplishments:

Price Waterhouse – Paris (1974 – 1977)

- Handled all financial, accounting, tax, and legal aspects relating to creation of start-up venture capital project in France to create and finance company to manufacture cardiac pacemakers.

Blue Bell – Brussels (1977 – 1981)

- Established "greenfield" European tax function for major U.S. manufacturer of apparel, including

establishing procedures to monitor and control reporting of subpart F income (assuring that targets remained below the then 30% threshold for subpart F income)

- Developed successful strategy for responding to IRS audit of transfer pricing for goods involving European and African subsidiaries, including identifying transactions with third-party distributors and demonstrating that these were "comparable uncontrolled transactions" which supported the company's pricing practices for intercompany transactions

Sperry Corporation – Cobham, England (1981 – 1983)

- Restructured European operations of major hydraulics company including establishing and documenting relations between "dominant economic unit" (DEU) in Germany and manufacturing and sales locations throughout Europe; established DEU as the "risk-taker" in the enterprise and established cost-plus pricing for sales to the German DEU with resale-price method for sales *from* the German DEU
- Revised pricing methodology for one of world's largest computer companies, establishing a royalty/licensing system to charge for use of applications software and creating a European-based licensing/relicensing company to route license fee payments from Europe, saving significant amounts of customs duties (through reduced mainframe hardware prices) and entirely avoiding withholding of foreign taxes at source

Combustion Engineering – Stamford, CT (1985 – 1992)

- Handled tax aspects of negotiations for massive joint-venture petrochemical project in U.S.S.R. involving members from U.S.S.R., Japan, Italy, Finland, and the U.S.; proposed sophisticated corporate structure involving Austrian holding/finance company and advance ruling to identify and quantify taxation of non-Soviet suppliers to project; reduced impact of Soviet taxes as impediment to project.
- Handled negotiations relating to tax aspects of large contract to build nuclear power plant in Korea; oversaw creation of structure involving multiple contracts to isolate activities and related income attributable to in-country presence; handled responses to Korean authorities related to audit of this structure, minimizing taxes on final adjustment
- Handled IRS transfer pricing audit, including developing response to IRS position proposing royalty adjustment and responding to IRC §982 request and summons involving production of worldwide documentation going back fifteen years; developed position that a compensating adjustment was required to account for stewardship expenses incorrectly charged and that royalty was limited to specific sales, virtually eliminating impact of adjustment (including multi-year interest charges)
- Revamped worldwide corporate structure of major U.S. company following acquisition by non-U.S. group, including overseeing legal and contractual documentation, monitoring U.S. tax considerations (especially those related to the deemed-dividend provisions of IRC §304), and overseeing preparation of earnings and profits studies for more than fifteen foreign subsidiaries involving a number of years; oversaw preparation of valuations of foreign subsidiaries, handled price negotiations for final sale, and oversaw U.S. return preparation to report gain relating to nearly one-hundred foreign companies
- Oversaw liquidation of large number of non-U.S. subsidiaries of a major U.S. company, including preparation of overdue statutory accounts, filing of all tax declarations, bringing up to date of corporate records, including shareholders meetings and directors' minute books, and generally assuring the orderly termination of the companies
- Oversaw restructuring of major company in oil and gas industry in preparation for disposition; successfully positioned selling company to claim ordinary deduction for worthless stock loss, while deferring recognition of gain on sale by use of corporate non-recognition provisions

Private Practice/Baker & McKenzie – Stamford/New York (1992 – 1997)

- Oversaw repatriation of >\$100.0m of retained earnings from Singapore subsidiary of major Swiss company; identified opportunity to liquidate subsidiary in order to avoid \$30.0m of taxes under Section 44 of the Singapore tax code as it existed at that time; VP of Tax of client wrote letter saying that this was one of the most creative tax planning strategies that he had ever seen
- Assisted large telecommunications company with respect to gain from deferred intercompany transaction resulting from sale of stock of U.S. subsidiary; proposed section 9100 relief based on argument that counsel should have recommended that company make section 338 election to obtain step-up and avoid deferred intercompany gain

PricewaterhouseCoopers – Boston (1997 – 2003)

- Proposed and oversaw restructuring of major company in pharmaceuticals industry acquiring French target entity by establishing German leveraged acquisition company financed by loans from Bermuda subsidiary, allowing for tax deduction in Germany for interest to finance acquisition generating tax-free income; resulted in very significant reduction in income taxes for corporate group with major reduction in effective tax rate
- Established plan for major U.S. company to repatriate cash from overseas subsidiaries on tax-free basis by utilizing a leveraged cash “D” reorganization, saving \$8.0m U.S. taxes

Articles And Publications

(in chronological order)

- **United States Individual Income Tax Policy As It Applies to Americans Resident Overseas**, 1975 *Duke Law Journal* 691.
- **Direct vs. indirect taxes: the value added tax and the overseas American**, *International Tax Report* (July 17, 1978).
- **The International Tax Audit in Germany**, 8 *taxes international* 1 (April 1980).
- **Translating Distributable Profits of Foreign Operations**. 13 *taxes international* 1 (November 1980).
- **Currency Management Centres; After-Tax Control of Forex Gains and Losses**, *Intertax*, June-July 1983, Vols. 6/7.
- **U.S.-Russian Treaty Provides New Exemptions For Construction Activities**, 78 *Journal of Taxation* 118 (February 1993).
- **Structuring the Scope of Work to Help Reduce Taxation**, *International Contract Manual - Contract Checklists*, Kritzer, Ed., *Kluwer Law and Taxation Publishers* (1994).
- **National and international tax consequences of demergers**, *Cahiers de droit fiscal international*, Volume LXXIXb at 467 (co-authored with P.J. O'Leary) (1994).
- **Employee vs. Independent Contractor Status (Nannygate and Other Dependent Relationships)**, *Connecticut Bar Journal*, Volume 68 No. 5 (December 1994)
- **Foreign Broker Was Engaged in U.S. Trade or Business Through the Activities of an Agent: InverWorld, Inc. v. Comr.**, *Tax Management International Journal*, page 655 (October 1996) (co-authored with Robert W. Toan, Brett L. Gold, and Peter J. Connors)
- **China imposes withholding tax on accrued payments and the impact on U.S. taxpayers**, 18 *Tax Notes Int'l* 1211 , (29 Mar1999) (co-authored with Alan Tsoi and Fuli Cao)
- **Foreign Acquisition of a U.S. Target Group and Subsequent Restructuring**, *Bulletin for International Fiscal Documentation* (Volume 55, September/October 2001, page 440) (co-authored with John Monette)
- **Assignment of Interco Receivables – Substance over Form – An Analysis of FSA 200127005 in the context of United Parcel Service**, *CITE International Tax News*, (Volume 9, Number 3, November 2001 page 1)

Seminars And Presentations

(post 1986 only - in chronological order)

- The International Business Forum; Conference in Philadelphia, PA; April 29, 1986. **Intercompany Pricing Guidelines**.
- International Fiscal Association; Joint meeting of U.S. and German branches in Aachen, Germany; September 9/10, 1988. **Transfer Pricing for Intangibles: "Super-Royalty"**.
- American Law Institute - American Bar Association; Conference in Chicago, IL; October 20/21, 1988. **Establishing Businesses Overseas**.
- New York University; Conference on International Taxation in New York; May 22/23, 1989. **Tax Aspects of International Construction Projects**.
- International Fiscal Association; Joint meeting of U.S. and UK branches in Miami, FL; September 8, 1989. **U.S. Foreign Tax Credit Rules**.
- National Foreign Trade Council; Conference on Negotiating and Implementing Joint Ventures and Other Business Arrangements in the U.S.S.R. in New York; February 12-13, 1990. **Soviet Tax Rules and International Tax Planning**.
- Georgetown University Law Center/National Foreign Trade Council; Inbound Tax Conference in Washington

- D.C.; June 13/14, 1991. **Experiences of the Tax Director of a Foreign-Owned U.S. Corporation.**
- Institute for International Research; Second Annual Conference on International Tax Planning in Washington, D.C.; October 29/30, 1991. **Transfer Pricing** (Chair of Panel on this subject).
 - International Fiscal Association; Panel for Taxation of Inbound Investments in Greenwich, CT; November 12, 1991; **Conference Chairman.**
 - Swiss-American Chamber of Commerce; meeting in Zurich, Switzerland; April 7, 1992; **New (Proposed) IRC section 482 Regulations.**
 - International Tax Association; meeting in New York City; May 31, 1992. **Recent Developments in Taxation of Inbound Companies.**
 - The Corporate Bar Association; seminar in Darien, CT; June 11, 1993. **Nexus Redux**
 - LINC Society of CPA/Financial Planners, New York, NY; May 25, 1994. **International Investment Funds - Tax Opportunities for the U.S. Investor**
 - Connecticut Bar Association; Annual Meeting in Cromwell, CT; June 6, 1994. **Employee vs. Independent Contractor Status (Nannygate and Other Dependent Relationships)**
 - Tax Executives Institute; Greenwich, CT; October 19, 1994. Subject: **Nexus Redux (or the Hidden Consequences of Doing Business in Other States and Countries)**
 - The Corporate Bar Association; conference in Greenwich, CT; October 27, 1994. **Domestic and International Joint Ventures: Tax Aspects of the Joint Venture**
 - Italy-America Chamber of Commerce; seminar on Transfer Pricing in New York, NY; June 14, 1995; **Transfer Pricing Studies.**
 - Council for International Tax Education; Conference on International Tax Compliance & Planning Update; New York, NY; October 10, 1995. **Global Tax Planning: Structuring Foreign Operations.**
 - Tax Executives Institute; Tax Day Conference; Rye, NY; November 17, 1995. **Recent Developments in International Tax.**
 - Tax Executives Institute; seminar in Woodbridge, NJ; March 5, 1996. **Various In-bound Federal, International, and State Tax Issues.**
 - International Fiscal Association; Joint meeting U.S. and French branches; Dijon, France; August 30-31, 1996. Conference organizer.
 - Council for International Tax Education; 2nd Annual Conference: Canada-U.S. International Tax Planning & Compliance; Toronto, Canada; October 2, 1996. **Structuring and Defending Service Arrangements - U.S. Tax Aspects.**
 - Council for International Tax Education; Conference on Controlled Foreign Corporation (CFC) Update; New York, NY; October 10, 1996. **Financing Foreign Operations.**
 - Tax Executives Institute; annual meeting in Chicago, IL; October 20, 1996. Presentation subject: **Handling Foreign Tax Audits.** [NB – flight cancelled due to plane crash]
 - American Conference Institute; conference on Transfer Pricing: Strategies and Applications, New York, NY; November 7, 1996; **Strategies for Tangibles and Services.**
 - Council for International Tax Education; Conference on Controlled Foreign Corporation (CFC) Update; Boston, MA; July 28, 1997. Conference Chairman Day 1: Presentation subject: **Effective Tax Rate Planning.**
 - Tax Executives Institute; **Tax Developments Update;** Boston, MA; September 28, 1998.
 - International Fiscal Association, First Annual Fall Conference; **International Operations of High Technology Companies;** Boston; MA; Conference Organizer; November 19, 1998
 - International Fiscal Association, Second Annual Fall Conference; **Corporate Structure and Financing Issues;** Boston; MA; Conference Organizer; November 18, 1999
 - International Fiscal Association, **U.S. Branch Annual Meeting;** Boston, MA; Conference Organizer ; March 2-3, 2000
 - Tax Executives Institute; **Tax Developments Update;** Rochester, NY; April 5, 2000.
 - Council for International Tax Education: High-Tech Industry Tax Conference, Boston MA; **Creative Solutions for Exploiting Intangible Property Overseas;** August 10, 2000
 - International Fiscal Association, Third Annual Fall Conference; **International Corporate Structure;** Boston; MA; Conference Organizer; November 16, 2000
 - Council for International Tax Education: High-Tech Industry Tax Conference, Boston MA; **International Tax Issues Affecting High Tax Companies;** July 17, 2001
 - International Fiscal Association, Fourth Annual Fall Conference; **International Tax Planning in a Retrenching Economy;** Boston; MA; conference organizer; November 15, 2001.
 - Alliance for Tax, Legal and Accounting Seminars (ATLAS); Advanced U.S. Tax Update Boston, MA;

Earnings and Profits – Planning Issues. September 27, 2002

- Council for International Tax Education: Fourth Annual High-Tech Update, Boston MA; **Strategies for Reducing Taxes Using Offshore Structures;** July 17, 2002
- Alliance for Tax, Legal and Accounting Seminars (ATLAS); Intermediate U.S. Tax Update Boston, MA; Co-Chairman; **International Tax Aspects of Earnings and Profits.** September 27, 2002
- Council for International Tax Education: U.S. International Tax Update, Farmington, CT; **How the Subpart F Rules Operate;** October 31, 2002
- International Fiscal Association, Fifth Annual Fall Conference; **Change is in the Air: What Can We Anticipate?** Boston; MA; conference organizer; November 21, 2002.
- Alliance for Tax, Legal and Accounting Seminars (ATLAS); Intermediate U.S. Tax Update Boston, MA; Co-Chairman; **Earnings and Profits – Planning Issues.** July 24, 2003
- Council for International Tax Education: U.S. International Tax Reporting & Compliance, Boston, MA; **Reporting Subpart F Income;** July 12, 2004
- International Fiscal Association; Joint meeting U.S. and French branches; Salzburg, Austria; September 3 - 5, 2005. Conference organizer.
- International Fiscal Association, Fifth Annual Fall Conference; **International Tax Developments;** Boston; MA; conference organizer; November 18, 2004.
- International Fiscal Association, Annual Meeting; San Antonio, TX; Panel Chair, **Manufacturing: Subpart F Exception, Contract Manufacturing, and the International Aspects of the Production Deduction;** February 24, 2006.