

ABA SECTION OF TAXATION

17th ANNUAL LAW STUDENT TAX CHALLENGE COMPETITION

(2017-2018) OFFICIAL LL.M. DIVISION RULES

Part I: Organization of the 2017-2018 Law Student Tax Challenge

1. Purpose and Administration. The Law Student Tax Challenge (the “LSTC”) is an annual inter-law school transactional planning and client counseling competition.

The Young Lawyers Forum of the American Bar Association Section of Taxation, located at 1050 Connecticut Avenue, NW, Ste. 400 Washington, DC, 20036, sponsors the LSTC. The LSTC is designed to focus on the tax consequences of a complex business-planning problem, and is intended to provide law students with the opportunity to research “real-life” tax planning issues and to demonstrate their acquired tax knowledge, through their writing and oratory skills, in front of the nation’s largest single group of practicing attorneys, judges, consultants, counsels and educators specializing in tax law.

2. The Competition. The competition consists of two parts:

Part 1: Written Work Product (as governed by the rules).

- **Problem Release Date: September 7, 2017 released by or before 5pm EST**
- **Submission Deadline: November 6, 2017 by or before 5pm EST**
- **Notification of Finalists: December 15, 2017**
- **Final Oral Defense Rounds: February 9, 2018 in San Diego, CA**

Part 2: Oral Defense of Written Work Product (“finalist round”), which includes both (i) a memorandum to a senior partner and (ii) a letter to the client explaining their analysis, conclusions and recommendations regarding the facts set forth in the LSTC problem. Both documents must be the original work product of the two student team members (as governed by the rules, for those four (4) teams selected as finalists based on their Written Work Product).

3. Teams. Any LL.M. student team from an ABA-accredited law school (a “Represented School”) may enter the competition.

Each Represented School may enter as many separate teams as it deems appropriate. Each team must consist of two (2) students, each of whom, by the Written Work Product submission deadline, has earned a Juris Doctor (“J.D.”) degree, and has not previously earned an LL.M. or other advanced law degree. A Joint J.D./LL.M student who has completed all degree requirements for his or her J.D. degree by the submission due date **MUST** participate in the LL.M division.

Both student team members must be matriculated in the LL.M. program at an ABA-accredited law school and in good standing with such ABA-accredited law school. Each student's LL.M. program must be in taxation or a related discipline or specialization (e.g., international taxation, employee benefits, estate planning). Both team members must be matriculated from the same school. A student in visiting status will be permitted to participate so long as the student meets at least one of the following conditions:

- a. If the student has matriculated at the Represented School, the student must be a full-time student in good standing at the Represented School. No additional disclosure is required.
- b. If the student is in visiting status at the Represented School, the student must be matriculated at an ABA-accredited law school (the "Home School"), must be a full-time student at the Represented School, and must be in good standing at the Represented School and the Home School. The student must also advise the Office of the Dean of the Represented School that the student will be entering the competition. Finally, the student must complete the following statement and attach it to the Official Entry Form: "[Visiting student's name] is in visiting status at [Represented School], is matriculated at [Home School], and has fully complied with the rules applicable to law students in visiting status." The student will be considered a representative of the Represented School for all purposes, although an attempt will be made to recognize the Home School in applicable press releases.
- c. No more than one visiting student per team may enter the competition. Student teams wholly comprised of visiting students will not be eligible.

Each team must designate one of its team members as a "captain" and all official actions and statements made by the members of the Young Lawyers Forum administering the LSTC (the "LSTC Administrators") will be directed to the captain.

Each team may have a faculty sponsor (either a faculty member or an attorney approved by the school) to provide general guidance during the Written Work Product portion of the LSTC, and general guidance, support and counseling during the Oral Defense portion of the LSTC if its team is selected as a finalist. See Part V: Rules for the Faculty Sponsor.

Each team entering the LSTC will be assigned a competition number, which will be used for identification purposes as further described herein.

4. Prizes. Prizes include, inter alia, recognition through certificates of participation, plaques or trophies ("plaques"), and monetary awards, as described more fully below. To be eligible to receive monetary awards, and certain other prizes, team members are required to provide personal information as requested by the ABA Section of Taxation. Failure by a team member to provide requested personal information will result in the forfeiture of such team member's monetary award or other prize in connection with which the information was requested. All monetary awards shall be paid in U.S. Dollars. All winners of awards and prizes will be announced at the ABA Section of Taxation Midyear Meeting in San Diego, CA, on February 9, 2018.
 - a. All student team members who submit Written Work Product as entries for the LSTC will receive certificates of participation following the conclusion of the ABA Section of Taxation Midyear Meeting. Student team members submitting Written Work Product will also receive free membership in the American Bar Association Section of Taxation for the 2018-2019 membership year. Free Section of Taxation membership requires

membership in the American Bar Association. Students are responsible for paying their ABA membership dues, as applicable.

- b. Each student member of the team submitting the best Written Work Product will receive a plaque recognizing the accomplishment and a monetary award of two hundred fifty dollars (\$250). In addition, a plaque will be presented to the law school.
- c. All student team members and faculty sponsors of teams selected as finalists will receive complimentary registration to the ABA Section of Taxation Midyear Meeting, as well as tickets to the Section Plenary Breakfast or Luncheon, whichever applies. All finalist student team members will receive complimentary domestic airfare (for travel within the fifty (50) United States) and hotel accommodations for two (2) nights. Additional information regarding travel and accommodations will be sent to all teams selected as finalists. **Please note: Faculty Sponsors are not offered complimentary airfare or hotel accommodations.**
- d. All student members of those teams selected as finalists will receive a plaque recognizing the accomplishment. The teams awarded the first and second place prizes will receive an additional plaque.
- e. Each student member of the **second place** team will receive a monetary award of three hundred dollars (\$300), free membership in the American Bar Association Section of Taxation for two (2) years after graduation and free meeting registration for ABA Section of Taxation meetings for two (2) years after graduation, beginning September 1 following graduation. Free Section membership and meeting registration requires membership in the American Bar Association. In addition, a plaque will be presented to the law school.
- f. Each student member of the **first place** team will receive a monetary award of five hundred dollars (\$500), free membership in the American Bar Association Section of Taxation for three (3) years after graduation and free meeting registration for ABA Section of Taxation meetings for three (3) years after graduation, beginning September 1 following graduation. Free Section of Taxation membership and meeting registration requires membership in the American Bar Association. In addition, a plaque will be presented to the law school.
- h. Winners are responsible for all taxes associated with the fair market value of prizes. The American Bar Association will report any prize with a fair market value greater than \$600.00 to the IRS on Form 1099. The American Bar Association requires prize winners to execute an affidavit of eligibility, publicity release (except where prohibited), liability waiver, and IRS Form W-9 prior to the delivery of any prize.
- i. Team members will be presented with their awards at the Young Lawyers Forum Reception during the Section of Taxation Midyear Meeting.
- j. The American Bar Association makes no warranties with regard to the prizes. Prizes are non-transferable and winners have no right of substitution.

5. Questions or Comments. Anyone considering participation in the LSTC should join the LSTC

ListServ, TAX-LSTC by sending an email to TAX-LSTC@MAIL.AMERICANBAR.ORG, and in the BODY (not the subject) send the following message: SUBSCRIBE TAX-LSTC.

All questions or comments concerning the problem, rules, or any other aspect of the LSTC, should be sent to the TAX-LSTC ListServ via email to TAX-LSTC@MAIL.AMERICANBAR.ORG.

Any questions or comments that might impact competitors will be universally communicated via the TAX-LSTC ListServ, and will also be posted on the official ABA Section of Taxation LSTC website: http://www.americanbar.org/groups/taxation/awards/law_student_tax_challenge.html

6. Updates to Rules or Problem. Addenda to the rules or to the problem may be posted from time to time on the Law Student Tax Challenge website, and if so, will also be distributed through the TAX-LSTC ListServ. Competitors should check the [Law Student Tax Challenge website](#) at least weekly for additional information and or updates.

Part II: Rules for the Written Work Product Part of the Competition

1. Submission Deadline. All written submissions must be received by the ABA Section of Taxation electronically on or before the designated deadline.
2. What is Required. Each team must prepare both (i) a memorandum to a senior partner and (ii) a letter to the client explaining their analysis, conclusions and recommendations regarding the facts set forth in the LSTC problem. Both documents must be the original work product of the two student team members, and must comply with all of the rules contained herein. Further, one (1) “Official Entry Form” (available on the LSTC website) from each team member must be sent via email and must be received by the deadline stated above. Both team members must submit and sign separate Official Entry Forms. Failure to provide contact information (telephone numbers and e-mail addresses) on the Official Entry Form may delay notification of finalist status.

The Official Entry Form includes a release authorizing the American Bar Association to publish written submissions, in whole or in part.

All entries must be submitted November 6, 2017 by or before 5pm EST in the following manner: Go to the LSTC website to access the Official Entry Form for submission:

http://www.americanbar.org/groups/taxation/awards/law_student_tax_challenge.html

Email your memorandum and client letter to the following email address:

taxmem@americanbar.org. **Please include exactly as follows in the subject line: 17th Annual LSTC**

– LLM WORK PRODUCT – LASTNAME – POSITION. (For example: 17th Annual LSTC-LLM WORK PRODUCT-SMITH-TEAM CAPTAIN). Do not include any names or other identifiers within the body of the memorandum and client letter. **ANY SUBMISSIONS WITH NAMES OR OTHER IDENTIFIERS WITHIN THE BODY OF THE MEMORANDUM AND OR CLIENT**

LETTER WILL BE DISQUALIFIED AND NOT ACCEPTED. All submissions must be received by the deadline. No entries will be accepted by mail or facsimile. If you have any difficulty, please call 202-662-8670.

3. The Memorandum to the Senior Partner.

THE NAME OF THE SCHOOL AND THE NAMES OF THE TEAM MEMBERS MUST

NOT APPEAR ANYWHERE WITHIN THE MEMORANDUM.

- a. *Length, font, margins, required heading for the Memorandum and other general requirements:* The Memorandum to the Senior Partner must not exceed 10 pages. Each page must be standard white letter paper (i.e., 8½” x 11”), typed using standard Times New Roman 12-point font, normal character and word spacing, double-spaced lines, and 1” margins at the top, bottom, right and left. Nothing other than page numbers may appear in the margins of any page. **Headnotes, footnotes and endnotes are prohibited.**

All statements of law contained in the Memorandum must be properly cited in accordance with the form prescribed in the Harvard Law Review Association Uniform System of Citation (19th Edition). Citations must follow the statement in the ordinary text of the Memorandum. The Heading on the first page of the Memorandum **MUST** read:

MEMORANDUM

TO: Senior Partner

FROM: LL.M. Team Number ___(leave blank)

DATE: _____

SUBJECT: 2017-2018 Law Student Tax Challenge Problem

- b. *Contents of the Memorandum.* The Memorandum shall fully set forth the team’s analysis, conclusion(s) and recommendation(s) with regard to the facts contained in the LSTC problem. It may be organized in any manner that allows the team to convey its acquired tax knowledge, and any aesthetic tools (like bolding, underlining, italicizing, bulleting, or numbering, but excluding headnotes, footnotes and endnotes) are allowed. The facts of the problem do not necessarily need to be restated in the Memorandum, but the team is free to incorporate any facts in any way that it thinks are appropriate.
- c. *Scoring the Memorandum:* The maximum score for the Memorandum is 100 points.
1. The style of the Memorandum is worth 10 points. Style includes, but is not limited to, grammar, spelling, accurate citations, lack of typographical errors, and word choice.
 2. The organization of the Memorandum is worth 20 points. Organization includes, but is not limited to, conciseness, ease of readability, the use of headings and subheadings, the chronology of the discussion, and the proper use of introductory and transitory sentences and paragraphs.
 3. The content of the Memorandum is worth 70 points. Content includes, but is not limited to, the logical reasoning and technical accuracy contained in the analysis, conclusion(s) and recommendation(s) set forth therein, and the use of statutes, regulations, case law and other authority in support thereof.
4. The Client Letter.

THE NAME OF THE SCHOOL AND THE NAMES OF THE TEAM MEMBERS MUST NOT APPEAR ANYWHERE WITHIN THE CLIENT LETTER.

- a. *Length, font, margins and required heading for the Client Letter:* The Client Letter must not exceed 5 pages. Each page must be standard white letter paper (i.e., 8½” x 11”), typed using

standard Times New Roman 12-point font, normal character and word spacing, double-spaced lines, and 1” margins at the top, bottom, right and left. Nothing other than page numbers may appear in the margins of any page. **Headnotes, footnotes and endnotes are prohibited.**

The return address on the first page of the Client Letter **MUST** read:

**LAW OFFICES OF LL.M. TEAM NUMBER____(leave blank)
Tax Town, ABA State, 10000**

The client address on the first page of the Client Letter must read:

**Client
Tax Town, ABA State, 10000**

The subject line of the first page of the Client Letter must read:

2017-2018 Law Student Tax Challenge Problem

The signature line on the final page of the client letter must read (without any actual signature):

**Sincerely,
LL.M. TEAM NUMBER____(leave blank)**

- b. *Contents of the Client Letter.* The Client Letter shall fully set forth, in layperson’s terms, the team’s analysis, conclusion(s) and recommendation(s) with regard to the facts contained in the LSTC problem. The use of any citations to statutes, regulations, case law, or other authority should be minimized and only included in the letter if absolutely necessary.
- c. *Scoring the Client Letter:* The maximum score for the Client Letter is 60 points.
 1. The style of the letter is worth 10 points. Style includes, but is not limited to, grammar, spelling, lack of typographical errors, and word choice.
 2. The organization of the letter is worth 10 points. Organization includes, but is not limited to, conciseness, ease of readability, the chronology of the discussion, and the proper use of introductory and transitory sentences and paragraphs.
 3. The content of the letter is worth 40 points. Content includes, but is not limited to, the use of “plain English” (or layperson’s terms) to convey complicated tax concepts, and the logical reasoning and technical accuracy contained in the analysis, conclusion(s) and recommendation(s) set forth therein.

5. Judging the Written Work Product.

The LSTC Administrators charged with judging the written work product will determine which teams are finalists based on the aggregate scores of each team’s memorandum and client letter. The LSTC Administrators will also determine the best Written Work Product and the second best Written Work

Product. The members of the judging committee will evaluate all of the written submissions received by the designated deadline based on a standard list of objective criteria as well as content and style (as detailed above). **Neither team scores – including the judges’ notes – nor team rankings will be released to the general public or to individual teams either at the Midyear Meeting or after the conclusion of the LSTC competition.**

The LSTC Administrators charged with judging the written work product may, for violations of the rules, assess a scoring penalty of up to 20 points against a team, or for egregious violations may disqualify a team. Examples of violations by a team that may be considered egregious include: plagiarism; failure to complete the Official Entry Form; any font size, font type, word or line spacing violations; use of footnotes or endnotes; failure to use required headings; and any other violations that would make unfair the comparison of the team’s submission to the submissions of teams that have complied with the rules. The LSTC Administrators also may report ethical violations, including plagiarism, to the appropriate academic or bar admission authorities. Decision of the LSTC Administrators is final

Part III: Rules for the Oral Defense Part of the Competition

1. **General Information.** At the designated time during the Section of Taxation Midyear Meeting each of the four (4) teams selected as finalists must orally explain and defend their Memorandum in front of three (3) to five (5) judges acting as mock senior partners and/or clients.

Each finalist team will be required to sign an Oral Defense Compliance Certification Form onsite during the Midyear Meeting (available on the LSTC website).

Each team’s oral presentation will be scored based on a standard list of objective criteria as well as on content and style (as detailed). The LSTC Administrators will determine which teams are finalists, and which teams are awarded third, second and first place, based on the scores of each team’s oral presentation. The LSTC Administrators will also make final determinations in the event of a tie. See Part III: Tie Breaking below.

2. **Oral Defense.**

- a. ***Participation: Four teams selected by the LSTC Administrators as finalists will be invited to the ABA Section of Taxation Midyear Meeting to compete in the Oral Defense.*** All four finalist teams will compete on the Friday of the meeting, at the time and location and in the order to be determined and communicated to each team at least two weeks prior thereto.
- b. ***Attendance.*** The Oral Defense will be open to the general public. However, team faculty sponsors for LL.M. teams participating in Oral Defense and/or for J.D. teams participating in the J.D. final round are prohibited from attending the Oral Defense for any teams other than the faculty sponsor’s own team(s). Faculty sponsors can sponsor more than one team and each team could be in finals. Participants may not watch other teams or gather information regarding the performance of another team (or of the judges) either directly or indirectly during the Oral Defense. Participants may not communicate with anyone about the performance of other teams until after the competition ends.
- c. ***Concept and purpose of Oral Defense.*** During the Oral Defense, judges will act as the “senior partners in the law firm” and/or “clients” and the teams will act as the “associates.” Each of the four finalist teams will, individually, appear before the judges. Each team will be judged on

the understanding and communication of the team members' collective tax knowledge regarding the problem. Each team will be expected to explain and defend its Written Work Product, but the judges are not prohibited from asking questions to any particular team that are not addressed in their respective Written Work Product. Note further that oral-round judges will not have reviewed any team's Written Work Product.

- d. *Length of questioning and how the teams should start.* Each team will appear for 30 minutes in front of the judges. Both team members must be present. While each team member is expected to participate in the Oral Defense, the actual division of responsibilities and oration rests solely within each team. However, as noted below, part of the scoring represents the active participation of both team members.

The team's only introduction should be their competition team number and their first names. Each team should start by setting forth their overall analysis, conclusion(s) and recommendation(s) to the problem, and state any unresolved issues and/or additional information that is needed from the client. The judges, whether acting as senior partners or as clients, are free to ask questions at any time. The students will be judged on how well they answer such questions and how thoroughly and concisely they explain their analysis, conclusion(s) and recommendation(s) (both on an individual basis and collectively as a team).

- e. *Materials needed for the Oral Defense.* Team members are allowed to bring a copy of the Internal Revenue Code and any other written material to their Oral Defense and are free to use such materials as needed. Team members may provide visual aids in the form of hand-outs, provided that such hand-outs shall not exceed the maximum dimensions (width and height) of 8½" x 11." A minimum of four identical copies of the Oral Defense handouts shall be submitted by the team to the LSTC Administrators immediately prior to the team's Oral Defense. No other visual aids of any kind shall be permitted. Team members are encouraged to consider the appropriateness of using visual aids in a presentation to a senior partner or client. Points will not be awarded for the use of visual aids.

- f. *Scoring the Oral Defense round.* The maximum score for each team is 30 points.

1. The teamwork shown during the Oral Defense is worth 5 points. Teamwork includes, but is not limited to, the effectiveness of the team members in dividing their participation, the level of respect that each team member shows toward the other, and the level of knowledge regarding the facts and the tax law collectively demonstrated by the team.
2. The technical tax knowledge demonstrated during the Oral Defense is worth a total of 15 points (7.5 points for each team member). Technical tax knowledge includes, but is not limited to, setting forth an accurate technical analysis of the problem, providing accurate responses to questions, understanding technical questions and applying the Federal tax law to related issues, understanding the scope and potential consequences of the problem and related Federal tax law issues, and substantiating responses with accurate references to legal authorities when appropriate.
3. The individual presentation during the Oral Defense is worth a total of 10 points (5 points for each team member). Individual presentation includes, but is not limited to, familiarity with the facts of the problem, poise, persuasiveness, demeanor, clarity of responses, proper use of the English language, and overall effectiveness. Particular attention is given to how

the students tailor their presentations to the audience (senior partners and/or clients).

3. Tie-Breaking. If, in scoring any round, any tie occurs among teams, then the following tie-breakers shall be used: (i) the team having the highest “individual presentation” score for the round; and next, (ii) the team having the highest score on the Written Work Product.

Part IV: Rules for the Law Student Team Members

1. Written Work Product. Each team member must sign a declaration on the Official Entry Form that only the two law student team members have researched the problem and prepared the Written Work Product (which consists of the Memorandum and the Client Letter). The team members themselves are the only individuals allowed to research, draft, proofread, and edit their Written Work Product. The students are free to research any information available to the public, including any primary and secondary resources whether available by subscription or not, but may not have individual discussions with other students, attorneys, professors, or tax professionals about the problem, other than general discussions with the faculty sponsor.
2. Oral Defense of Written Work Product. The students are encouraged to practice their oral presentations before the competition. However, the roles of any other student, attorney, professor, or tax professional acting as a mock judge must be limited to asking questions, indicating whether the responses were generally correct or not, and generally where the students can conduct further research if incorrect responses were given. The mock judges at the practices are free to offer advice on the oratory and presentation skills of the student team members. The members of each finalist team will be required to sign a compliance form prior to the commencement of the final round.

Part V: Rules for the Faculty Sponsor

1. Written Work Product. The faculty sponsor may instruct the student team members on proper research techniques and provide general advice. By way of illustration, directing student team members to a particular Internal Revenue Code section is permitted general advice. Directing students to cases, regulations, administrative materials, or secondary sources is not general advice, and is forbidden. The faculty coach may say “I direct you to Sections X, X, and X” but not “It looks like the problem is raising a XXXX issue; you should look at Section X, which talks about XXXX.” The faculty sponsor may also comment on the proper structure of a Memorandum and Client Letter, but may not help to draft, proofread, or edit the Written Work Product of the student team members.
2. The Oral Defense of the Written Work Product. The faculty sponsor may arrange practice sessions in front of other students, professors, attorneys, or tax professionals (including the faculty sponsor) that are structured to improve the students’ individual oratory and presentation skills, their demonstrated teamwork, and the discovery of holes in arguments or incorrect statements. However, the faculty sponsor must ensure that no one acting as a mock judge provides the students with anything more than general advice and comments.

Part VI: Additional Terms and Conditions

1. The American Bar Association is not responsible for any computer or software errors, Internet failures, misdirected email, printing errors in these rules, or other technical failures incurred by contestants.

2. Each contestant hereby releases the American Bar Association and its respective employees, officers, directors, contractors, agents, representatives, successors and assigns from any damage, loss, or other liability that may arise from or in any way relate to participation in this contest. This contest will be governed by all federal, state, local and municipal laws and regulations. This contest is void where prohibited by law. Any claim, judgment or award will be limited to a contestant's actual out-of-pocket costs associated with entering this contest. Contestant hereby waives any right or claim to attorney's fees, indirect, special, punitive, incidental, or consequential damage.

3. Information provided by entrants in connection with this contest is subject to the American Bar Association's privacy policy available at <http://www.americanbar.org/utility/privacy.html>.