



# CAPTIVE INSURANCE: AN INTRODUCTION

**porter**wright

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## CAPTIVES 101

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## CAPTIVE DEFINITION

Definition: A closely held insurance company that is owned and controlled primarily by its insureds

Characteristics

- A licensed insurance company
- Generally licensed in only one domicile
- Regulated under special legislation regulating captives
- Formed to insure or reinsure the risks of its owners or related parties of their choosing
- Located onshore or offshore

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## WHY FORM A CAPTIVE?

- The main reason captives are formed is to increase the level of control over all facets of insurance
- Increased control over:
  - Ultimate cost; reduced cost/increased tax efficiency;
  - Coverage breadth;
  - Claims handling;
  - Loss control; and
  - Embedded insurance program profit

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## WHY FORM A CAPTIVE?

- Complete insulation/separation from the commercial insurance market can be challenging due to capital requirements
- Tax Benefits
  - Accelerated tax deductibility
  - 831(b) election

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## TYPES OF CAPTIVES

- **Single Parent (Pure) Captive**
  - Wholly owned by one parent company
  - Formed primarily to insure or reinsure the risks of the corporate parent or unrelated parties of their choosing

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## TYPES OF CAPTIVES

- **Group Captive**
  - Owned by two or more companies, often times affiliated through a trade association or homogenous group of companies
  - Heterogeneous group captives are also available
  - Formed to insure or reinsure the risks of the group
  - **Risk Retention Group (RRG)** – form of group captive operating under the U.S. Liability Risk Retention Act (LRRA). Can underwrite direct in the U.S.; liability only risks

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## CORPORATE STRUCTURES

- **Stock Corporation**
  - Owned by its shareholder(s)
- **Mutual Insurance Company**
  - Unique to insurance business
  - Does not issue shares
  - Owned by its policyholders

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## CORPORATE STRUCTURES

- **Limited Liability Corporation (LLC)**
  - Controlled by its member(s)
  - More flexible than stock corporation
- **Reciprocal Exchange**
  - Exchange of contracts with attorney-in-fact

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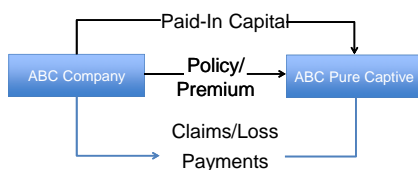
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## CAPTIVE RISK PLACEMENT STRUCTURES

### 1. Single Parent Captive – Direct



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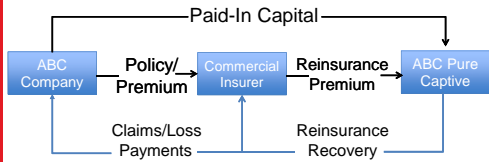
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## CAPTIVE RISK PLACEMENT STRUCTURES

### 2. Single Parent Captive – Reinsurance



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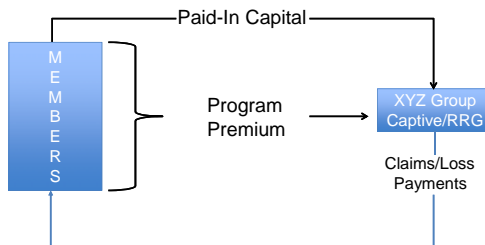
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## CAPTIVE RISK PLACEMENT STRUCTURES

### 3. Group Captive/RRG - Direct



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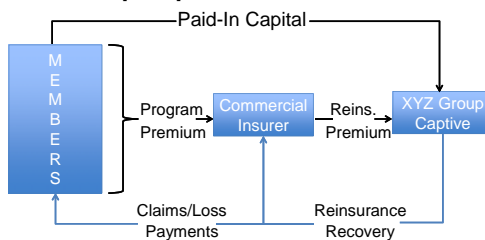
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## CAPTIVE RISK PLACEMENT STRUCTURES

### 4. Group Captive - Reinsurance



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### U.S. TAX CONSIDERATIONS QUALIFYING AS AN INSURANCE COMPANY FOR U.S. FEDERAL TAX PURPOSES

**Brother-Sister Approach OR Third-Party Writings Approach**

Captive insures a minimum of seven legal subsidiaries

**Parent Holding Company**

Sub Sub Sub Sub Sub Sub Sub

**Captive**

**TAX DEDUCTIBLE**

**NOT TAX DEDUCTIBLE**

(NOTE: Subsidiaries must be legal C-Corporations, not LLCs or divisions)

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### CAPTIVE U.S. FEDERAL TAX TREATMENT STEPS TO REALIZE FEDERAL TAX BENEFITS

STEP 1	STEP 2	STEP 3
<b>Qualify as an Insurance Company for U.S. Federal Income Tax Purposes</b> <ul style="list-style-type: none"> <li>Existence of insurance risks (not investment or business risks).</li> <li>Shift financial risk to the captive ("risk shifting").</li> <li>Appropriately distribute the risks among a sufficient number of insureds ("risk distribution").</li> <li>Regulated insurance company.</li> </ul>	<b>Meet Risk Distribution Requirements</b> <p><b>Two Options:</b></p> <ol style="list-style-type: none"> <li>1. Insure brother/sister companies (Must be legal C-Corps not LLCs or divisions). <b>Case Law</b> – Insure minimum of six sister entities. <b>Revenue Ruling</b> – Insure minimum of twelve sister entities. or</li> <li>2. Insure unrelated third parties <b>Case law</b> – minimum 30% premium from unrelated risk <b>Revenue Ruling</b> – Minimum 50% premium from unrelated risk.</li> </ol>	<b>Realize the Tax Benefits</b> <ol style="list-style-type: none"> <li>1. 831(b) or the "Small Insurance Company" Election. <ul style="list-style-type: none"> <li>- If premiums &lt; \$2.2 million annually, ability to earn underwriting profit on a tax exempt basis.</li> <li>- Beneficial when insuring risk high in severity with no expected claims such as Property.</li> </ul> </li> <li>2. Accelerated tax deduction when reserve established versus when loss is paid due to special rules afforded to insurance companies (beneficial when insuring long tail risk such as Casualty).</li> </ol>

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### USES OF A CAPTIVE

- Cover gaps in insurance program
- Financing risks that cannot be placed in the traditional insurance market
- Creating tax efficient structures (state/federal taxes)
- Optimizing capital deployment

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## CAPTIVE ANNUAL OPERATING COST

Activity	Range – Low	Range - High
Captive Management	\$35,000	\$180,000
Annual Audit	\$10,000	\$50,000
Tax Preparation	\$2,500	\$20,000
Actuarial Review/Certification	\$5,000	\$50,000
Domicile Fees & Taxes (Fixed Fee and/or Premium Tax)	\$5,000	\$200,000
Operating Cost Range	\$57,500	\$500,000

**Management cost range based on complexity of structure, captive type, frequency of financial reporting and number of participants.**

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## KEYS TO SUCCESSFUL CAPTIVES

- Sense of urgency – problem to solve or clearly defined objective
- Properly funded relative to risk profile
- Focus on loss control and claims management
- Long-term commitment – discipline to “stay the course” through market cycles
- Strong business partners – captive manager, claims service, attorney, actuary, banking and investment advisors

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## KEYS TO SUCCESSFUL CAPTIVES

- Clear understanding of the benefits and operational challenges
- Trust and transparency – if sharing risk with other parties
- Operational efficiency
- Buy-in of upper management

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## CAPTIVE CAVEATS

1. Captives require capital to begin underwriting - \$100,000 - \$250,000 base capital **plus** risk capital depending upon volatility of the underlying risk being insured
2. Captives have annual operating costs of between \$60,000 and \$150,000 or higher for management, audit, actuarial certification and regulatory fees with ultimate cost a function of the underlying program complexity and domicile location
3. Captives require a specific fact pattern to achieve insurance company tax treatment

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## DOMICILE SELECTION CRITERIA

- |                        |                                                                                                                        |
|------------------------|------------------------------------------------------------------------------------------------------------------------|
| Regulatory             | Does the domicile offer the regulatory flexibility I require to underwrite this risk? How much capital will I require? |
| Tax                    | Are there tax consequences associated with the domicile selection?                                                     |
| Infrastructure         | Does the domicile have the necessary infrastructure to support my captive?                                             |
| Logistics & Perception | How easy is it to travel to the domicile and are there perception issues with the location?                            |

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## SECTION 831(B) HISTORY

- Going back to the early 1900s, small local mutuals have received unique tax treatment with many farmers' mutuals in particular being exempt from income tax

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## SECTION 831(B) HISTORY

- In 1986, Congress added section 831(b) to the Internal Revenue Code to replace the prior complex, and modestly favorable, treatment for small insurance companies. Originally enacted:
  - To benefit small, agricultural mutual captives that were mostly forming in the Midwest
  - To encourage new insurance company formations
  - As well as to add competition in the insurance marketplace

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## SECTION 831(B) HISTORY

- With section 831(b), Congress decided to exempt small insurers, whether stock or mutual companies, from tax on underwriting income

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## MAKING THE SECTION 831(b) ELECTION

- Qualifying insurance companies can make the election to be taxed only on their investment income

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## MAKING THE SECTION 831(b) ELECTION

- Current Qualifications:
  - §831(b)(2)(A)(i): Net written premiums (or, if greater, direct written premiums) for the taxable year cannot exceed \$2,200,000
  - In order to qualify a company as a small insurer, the tax statute aggregates premiums among insurance companies within the same controlled group
  - §831(b)(2)(A)(iii): An election must be timely made by the company on its tax return, including extensions
    - The election will be considered for the current year and all subsequent tax years
    - It can only be revoked with the consent of the Secretary of the Treasury

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## QUALIFYING AS AN INSURANCE COMPANY

- **The Internal Revenue Code definition of an insurance company:**

The term “insurance company” means any company more than half of the business of which during the taxable year is the issuing of insurance or annuity contracts or the reinsuring of risks underwritten by insurance companies.

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## QUALIFYING AS AN INSURANCE COMPANY

- Neither the Internal Revenue Code or the Treasury Regulations define an insurance contract. Therefore, we must look to the courts
- Insurance contract must have:
  - Risk shifting
  - Risk distribution
  - Insurable risk
  - Common notion of insurance

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### GROWTH IN CAPTIVES ELECTING SECTION 831(B)

- In 2004, Congress changed section 501(c)(15) due to the abuses it perceived; after this, fewer insurance companies qualified under section 501(c)(15) and more under section 831(b)

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### GROWTH IN CAPTIVES ELECTING SECTION 831(B)

- Growth in the use of captives electing section 831(b) also fueled by
  - Popularity and understanding of alternative risk mechanisms by mid-sized companies
  - Catastrophic events (such as 9/11, Katrina, Fukushima Diachi) and Great Recession brought concerns about insurance and reinsurance markets
  - Increase in states in U.S. with captive insurance legislation
  - Service providers were able to right size fees for smaller captives
  - Acceptance of captive insurance by IRS in 2001 and parameters set by IRS in 2002

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### GROWTH IN CAPTIVES ELECTING SECTION 831(B)

- Over the past five years, the explosive growth has led to increased IRS scrutiny of aggressive captive structures that do not have a non-tax business purpose

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## IRS SCRUTINY: THE DIRTY DOZEN

- In 2015, the IRS identified Tax Shelters as one of its "Dirty Dozen". For the first time, captives electing section 831(b) were linked to tax shelters.
  - *"The promoters assist with creating and 'selling' to the entities often times poorly drafted 'insurance' binders and policies to cover ordinary business risks or esoteric, implausible risks for exorbitant 'premiums,' while maintaining their economical commercial coverage with traditional insurers."*
  - *"Total amounts of annual premiums often equal the amount of deductions business entities need to reduce income for the year; or, for a wealthy entity, total premiums amount to \$1.2 million annually to take full advantage of the Code provision. Underwriting and actuarial substantiation for the insurance premiums paid are either missing or insufficient."*

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## AVRAHAMI COURT OPINION

- **105-page opinion by the United States Tax Court**
  - First court case involving an insurance company taxed under section 831(b)
  - Facts and circumstances

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## AVRAHAMI COURT OPINION

- **Court Held Taxpayers did not enter into a valid insurance transaction**
  - No risk distribution – Pooling entity was not bona fide insurance company
    - Premiums were too high
  - Not insurance in its commonly accepted sense
    - Not operated as an insurance company
    - Policies had "unclear and contradictory" terms
    - Premiums were "wholly reasonable"
  - No penalties on the insurance transaction
  - Captive lost its elections, but parties agreed no U.S. income

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## COMMON NOTIONS OF INSURANCE

### Insurance in its Commonly Accepted Sense

- **The Court looked at five factors:**
  1. Organized, operated and regulated as an insurance company
  2. Adequate capitalization
  3. Valid and binding policies
  4. Reasonable premiums as the result of arm's length transaction
  5. Claims are paid

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## COMMON NOTIONS OF INSURANCE

### INSURANCE IN ITS COMMONLY ACCEPTED SENSE

- The Court identified, but did not address
  - Whether policies covered typical risks
  - Legitimate business reason for acquiring insurance from the captive
    - Earlier in the opinion it had identified some tax oriented reasons to insure with an affiliate, but did not further discuss them

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## NOT ADDRESSED BY THE COURT

- **Because the Court found that the arrangement was not insurance, the Court did not comment on:**
  - The number of affiliates needed to distribute risk
  - Other two insurance tests
    - Risk Shifting
    - Insurance Risk
  - Government's other arguments
    - Economic substance
    - Substance-over-form
    - Step-transaction doctrines

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## HOW TO FORM A CAPTIVE

- Develop a capital solicitation plan (1 - 2 months)
- Feasibility study (3 – 6 months)
  - Loss projection
  - Past claims experience
  - Prepared by actuary
  - Results in “go” or “no” decisions

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## HOW TO FORM A CAPTIVE

- Prepare legal documents (2 – 3 weeks)
- Prepare underwriting plan (1 – 2 months)
- Prepare business plan (1 – 2 months)
- Need for reinsurance (TBD)
- Select service providers (1 – 2 months)
- Prepare Application for Certificate of Authority (2 – 3 weeks)
- Submit Application for Certificate of Authority to Domicile Regulation (30 days – 60 days)

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# THANK YOU

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# Mark B. Koogler

Mark is a partner in the firm's Corporate Department. His diverse practice includes representing businesses and individuals in a range of corporate and general business law issues in industries such as insurance, healthcare, investment advisory, manufacturing and hospitality.

Mark's transactional experience encompasses more than 37 years and over 130 transactions, with an aggregate value in excess of \$9 billion.

He has advised on stock and asset acquisitions and divestitures, mergers, affiliations, corporate reorganizations and joint ventures. His objective is to protect the client's interests while driving the transaction to a favorable conclusion. Mark has extensive experience in all aspects of the transaction process: due diligence, drafting transaction and ancillary documents, preparing and filing HSR filings, approving necessary regulatory or third-party consents, and analyzing and minimizing clients' risks.

During his career, Mark has been involved with the purchase or sale of more than 30 insurance companies; formed various types of insurance companies, including life, property and casualty, home warranty, and health; drafted reinsurance, assumption, distribution, agency, broker and intercompany agreements; and provided counsel on insurance regulatory matters. He has worked on various alternative risk mechanisms, including the formation and licensing of purchasing groups and captive insurance companies. Mark was a key stakeholder in initiating and drafting legislation that led to the enactment of the Ohio Captive Insurance Law in 2014, and is one of the founders and a director of the Ohio Captive Insurance Association.

In addition, Mark advises individuals and businesses engaged as investment advisors or otherwise working in the securities area. He counsels clients regarding whether registration as an investment advisor at the federal or state level is required, and assists in the preparation and filing of Form ADV as well as drafting necessary compliance manuals and related documentation. Mark also drafts

## Partner

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## SOCIAL MEDIA

### Blogs

[bankingandfinancelawreport.com](http://bankingandfinancelawreport.com)  
[fedseclaw.com](http://fedseclaw.com)

## EDUCATION

University of Dayton School of Law,  
J.D., 1980

The Ohio State University, B.S., 1977

## SERVICES

### Mergers & Acquisitions

- Fairness opinions and special committees
- Transaction structuring
- Due diligence
- Antitrust and regulatory filings
- Insurance

### Business Growth & Operation

- Business transactions
- Organization, planning and financing
- Corporate governance
- Board and committee counsel
- Venture capital and private equity
- Business succession planning

private placement memoranda, and advises clients about the various regulatory matters to consider when raising capital.

Mark's experience in the healthcare sector includes analyzing the formation of a purchasing coalition joint venture and the formation of several insurance joint ventures. Mark successfully negotiated a joint venture that resulted in the formation of a rehabilitation hospital, establishing a precedent for that client to follow a prudent transactional approach, instead of leading with healthcare issues, which increased the sense of urgency and sharpened the focus of all parties involved.

Before joining Porter Wright, Mark was a vice president and associate general counsel of a Fortune 100 company. He draws on this experience to help inside counsel make sound business judgments and effectively manage pressures they face in performing their responsibilities.

## **Bar Admissions**

Ohio

## **Presentations**

- "Captive Insurance: An Introduction," Porter Wright and U.S. Bank Private Wealth Management, Aug. 28, 2018
- "Drafting and Reviewing Business Contracts," November 2017
- "Planning for the Sale of Business," August 2017
- "Exit, Sales and Succession Options for the Smart Business Owner," Ohio Business Brokers Association, Feb. 18, 2016
- "Update on Legislative/Regulatory Issues Affecting Business Brokers," Ohio Business Brokers Association, February 2015
- "Ohio Captive Insurance," Captive Insurance Committee of the American Bar Association, October 2014
- "Know Your Legal Rights," Columbus Young Professionals Club, July 2014
- "Setting Yourself up for Success in Buying and Selling your Business," The Columbus Business Growth Club, June 2014
- "Captive Insurance 101," Porter Wright, CBIZ and Rector & Associates, Inc., May 2014
- "Selling and Buying a Business: Preparing and Alternative Financing Options," Ohio Business Brokers Association and Porter Wright, February 2014
- "Strategic, Successful Mergers and Acquisitions," C-Suite Forum Porter Wright and Schneider Downs, August 2013, September 2013
- "Lessons Learned from Mergers and Acquisition Activity," Schneider Downs' Annual Not-For-Profit Symposium at the Mid-Ohio Food Bank, August 2013
- "The Fundamentals in Buying and Financing A Small Business," Huntington National Bank/Ohio Business Brokers Association, March 2013

## **SERVICES (CONTINUED)**

### **Entrepreneurship & Startups Securities**

- Investment advisors

### **Health Care**

- Mergers and acquisitions

## **PROFESSIONAL ASSOCIATIONS**

- Captive Association *Leadership Council*, Member
- Ohio Captive Insurance Association, Founding Member and Trustee
- Columbus Bar Association, *Business Law Committee*
- Ohio State Bar Association, *Corporate Counsel Committee*
- Central Ohio Compliance Association
- Association of Corporate Growth, Columbus Chapter, Board Member

**Honors | Awards**

- *Chambers USA*, Corporate/M&A, Ohio
- Association of Corporate Counsel, ACC Value Champion Award, 2012



## Todd A. McIntire

Vice President, Private Wealth Consultant

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As a Private Wealth Consultant, Todd is responsible for understanding his clients' unique goals and aspirations. This information helps him assemble comprehensive and customized wealth management strategies tailored to each client's specific needs. These strategies encompass Investment Management, Private Banking, Trust and Estate Services, and Wealth Planning. Todd takes the time to understand his clients' unique needs, and he directs teams of specialists — often working closely with other client advisors, such as attorneys and accountants — to provide services that help clients work toward their goals.

Todd began his career in the banking and financial services industry in 2002, joining U.S. Bank Private Wealth Management in 2010.

He and his wife reside near Cincinnati, along with their two sons, daughter and dog.

### CREDENTIALS

B.S. finance, Butler University,  
Indianapolis, Indiana

MBA, Indiana University,  
Bloomington, Indiana

Leadership Dayton,  
Class of 2013

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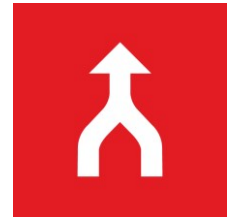
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# Mergers & Acquisitions

We possess extensive M&A experience along with a deep knowledge of the industries in our marketplaces. For clients, that means a trusted partner involved in the long-term life of their businesses. By providing assistance at the earliest stages of a transaction, we help businesses recognize the growth and synergies available through these transactions. At the same time, we work to avoid potential liabilities and hurdles. At every step of the way, we help clients make sound strategic decisions through sound legal analysis and the clear, concise drafting needed to bring those decisions to fruition. Our multi-disciplinary approach provides integrated legal services that draws on the experience of attorneys in practice areas including tax, intellectual property, employee benefits, labor and employment, environmental, real estate and litigation. Collaboration among our attorneys enables us to understand and address all aspects of our client's business, and gives us the ability to evaluate, structure, negotiate and document transactions to meet client objectives.

## Services include:

- Due diligence
- Transaction structuring, negotiation and drafting
- Financing
- Antitrust and regulatory filings
- Fairness opinions/special committees
- Assessment of impact on employee benefits, intellectual property, labor relations and taxes
- Guidance regarding real estate and environmental issues, including liability exposure

## Our nationally recognized team of attorneys has handled numerous large and complex deals. Recent transactions include:

- Represented publicly traded food company in a \$90+ million acquisition of the stock of a private food company
- Represented private investment company in sale of private software company to a private equity firm for \$60+ million

## RECOGNITION

- Porter Wright is recognized by *The Best Lawyers in America*® 2018 as a Top-Listed firm in Columbus, Ohio in Mergers and Acquisitions – Litigation.
- Five Porter Wright partners are recognized by *Super Lawyers*® 2018 in the areas of M&A and Business/Corporate. Two Porter Wright attorneys are named to the Rising Stars edition of *Ohio Super Lawyers*® 2018 in the area of Business/Corporate. Lawyers on the *Super Lawyers*® list are composed of the top five percent of lawyers in each state. Less than 2.5 percent of lawyers are selected for Rising Star status.
- *U.S. News-Best Lawyers*® ranked Porter Wright among the best in the nation for legal services in “Best Law Firms,” recognizing the firm’s practice areas nationally and in metropolitan areas among its seven offices.
- According to *Chambers USA* research Porter Wright ranks among the top firms in Ohio in Corporate/M&A law.

## PRACTICE GROUP LEADER

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# Mergers & Acquisitions

- Represented publicly traded apparel company in a \$10+ million acquisition of substantially all of the assets of a private apparel company
- Represented private software company in a sale of itself to a private equity firm for \$40+ million
- Represented private agriculture company in \$10+ million acquisition of the stock and assets of another private non-U.S. agriculture company
- Represented private software company in a \$5+ million sale of substantially all of the assets of a healthcare software business line
- Represented private software company in a \$5+ million acquisition of the stock of a private non-U.S. software company
- Represented private publishing company in a \$3+ million acquisition of substantially all of the assets of another private publishing company
- Represented national distributor in a roll-up valued over \$100 million
- Represented a holding company in the sale of a manufacturing entity for \$320 million to a private equity back strategic buyer going public
- Represented selling party of an industrial manufacturing company in a B2B sale for \$10 million
- Represented buyer in acquisition of majority share of a software company for \$20 million
- Represented seller in \$31 million telecommunications company sale to a publicly traded entity
- Represented holding company in acquisition of industrial manufacturer for approximately \$39 million
- Represented Emergency Resource Software Company in sale to private equity for approximately \$50 million
- Represented parent company in acquisition of control of manufacturer based on approximately \$20 million valuation
- Represented seller in software company acquisition valued at approximately \$11 million
- Represented holding company in acquisition of distributor in \$22.5 million range

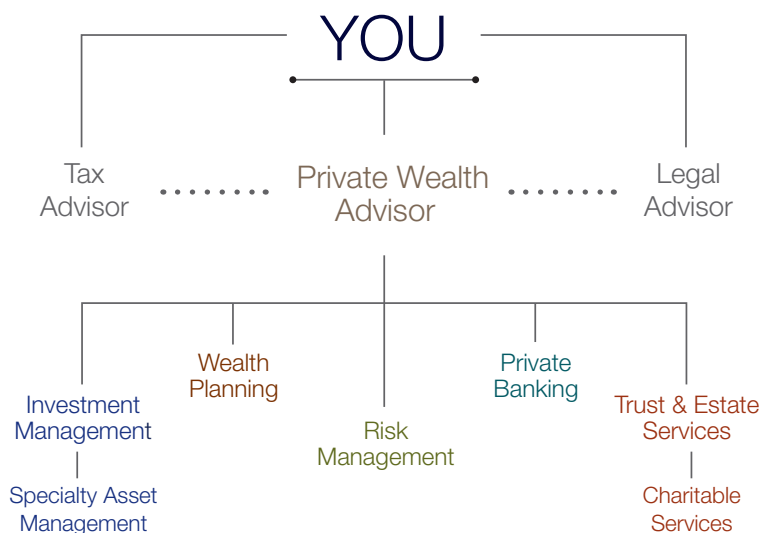
# U.S. Bank Private Wealth Management

## Fact sheet

### Our commitment

U.S. Bank Private Wealth Management serves successful individuals and families like you who have multifaceted financial situations. We'll help you work toward your goals of creating, growing, and protecting your wealth. Our extensive Wealth Management services also include advising business owners, corporate executives, and professional service corporation principals and partners. You'll be supported by your Private Wealth Advisor backed by a dedicated team of investment, banking, and trust and estate experts. We'll partner with you on both traditional wealth management opportunities and unique needs involving specialty assets, charitable/philanthropic desires, and inherited family wealth.

Our legacy of serving our personal trust clients in a fiduciary capacity as trustee or investment manager is built on more than 100 years of putting our clients' interests first. We're committed to delivering the highest level of integrity and service.



[privatewealth.usbank.com](http://privatewealth.usbank.com)

Investment products and services are:

NOT A DEPOSIT • NOT FDIC INSURED • MAY LOSE VALUE • NOT BANK GUARANTEED • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

[ 1 ] Important disclosures provided on page 3.

## Private Wealth Management at a glance

Private Wealth Management manages more than \$43 billion for individuals and institutions<sup>1</sup>

722 professionals

## What others are saying about U.S. Bank

U.S. Bank named a 2018 “World’s Most **Ethical** Company®”  
~ *Ethisphere Institute*, March 2018<sup>2</sup>

U.S. Bank ranked a “**top 20** wealth management firm” in the United States. ~ *Barron’s* 2017 List of Top 40 Wealth Managers<sup>3</sup>

“Most **admired** superregional bank” eight years in a row.  
~ *Fortune*, March 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018

U.S. Bank ranked number one “most **trusted** retail bank” for the past eleven years. ~ *Ponemon Institute*, October 2017

## Our services

### Wealth Planning

- Financial plan construction and implementation
- Goal development and monitoring
- Risk management analysis and guidance
- Concentrated holdings strategies
- Stock option analysis

### Private Banking

- Cash flow management
- Specialty financing options
- Jumbo mortgage and home equity lending
- Partnership buy-ins for professional service corporations
- Yacht and aircraft financing
- Insurance premium financing

### Investment Management

- Strategic asset allocation guidance
- Client tailored investment strategies
- Robust platform
- Comprehensive due diligence process
- Specialty Asset Management non-financial asset management expertise:
  - Farm and ranch
  - Natural resources (oil, gas and other minerals)
  - Commercial and residential real estate
  - Closely held and partnership equity interests
  - Trust loan capabilities

### Trust and Estate Services

- Trust and estate administration
- Trust situs capabilities
- Directed trusts
- Corporate trustee services
- Trust tax expertise/services
- Trusteed IRAs
- Agent for trustee
- Gifting strategies
- Charitable Services
  - Private foundation virtual office capabilities
  - Charitable giving strategies
  - Foundation and endowment management
  - Policy/entity guidance
  - Administrative services
  - Asset management services
  - Communications management
  - Donor-advised funds



## Office locations

<b>AZ</b>	Scottsdale	<b>KS</b>	Prairie Village	<b>OR</b>	Portland
<b>CA</b>	Century City La Jolla Los Angeles Newport Beach	<b>KY</b>	Louisville	<b>SD</b>	Sioux Falls
	Sacramento San Diego San Francisco San Jose	<b>MN</b>	Minneapolis St. Paul	<b>TN</b>	Nashville
<b>CO</b>	Denver	<b>MO</b>	Clayton Kansas City	<b>UT</b>	Salt Lake City
<b>DE</b>	Wilmington	<b>NV</b>	Las Vegas	<b>WA</b>	Bellevue Seattle Vancouver
<b>FL</b>	Naples Palm Beach	<b>NY</b>	New York	<b>WI</b>	Brookfield Madison Milwaukee
<b>IL</b>	Chicago Lisle	<b>OH</b>	Cincinnati Cleveland Columbus		

To learn more, visit [privatewealth.usbank.com](http://privatewealth.usbank.com) or call 855.330.6916.

<sup>1</sup> U.S. Bank Wealth Management & Investment Services has more than \$135.1 billion in assets under management; both figures as of March 31, 2018.

<sup>2</sup> U.S. Bank ranked one of the "World's Most Ethical Companies®" by Ethisphere Institute, March 2018.

<sup>3</sup> *Barron's* "America's Top 40 Wealth Managers," September 25, 2017, ranked by client assets in accounts of \$5 million or more as of March 31, 2017. *Barron's* is not affiliated or associated with U.S. Bank in any way.



Deposit products offered by U.S. Bank National Association. Member FDIC. Credit products are offered by U.S. Bank National Association and subject to normal credit approval.

U.S. Bank and its representatives do not provide tax or legal advice. Each individual's tax and financial situation is unique. Individuals should consult their tax and/or legal advisor for advice and information concerning their particular situation.

Non-financial specialty assets, such as real estate, farm, ranch and timber properties, oil, gas and mineral interests or closely-held business interests are complex and involve unique risks specific to each asset type, including the total loss of value. Special risk considerations may include natural events or disasters, complex tax considerations and lack of liquidity. Specialty assets may not be suitable for all investors.