Community Bank Tax Workshop

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Agenda

- The Workshop lasts from 12:30 to 4:30 PM Eastern Time
- We plan two breaks:
  - 2:00 to 2:15 PM Eastern
  - 3:30 to 3:45 PM Eastern
- We will insert polling questions in the program about every fifteen minutes to support CPE
  - Six questions will at the beginning, at the beginning and end of each break, and the end of the session

Topics

- Post Election Tax Planning
- Paycheck Protection Loans
  - Loan Processing Fees
- Employee Retention Credit
- C Corporation NOL Carrybacks
- Individual NOL Carrybacks
- Excess Business Losses
- Refundable Corporate AMT
- Loan Modifications

Topics

- Final S Corp Revocation Regs
- Qualified Business Income
- BOLI – Final Regulations on Reportable Policy Sales
- Forms 1099-A and C
- Mergers & Acquisitions
  - Purchase Accounting Cash Basis Acquirer
  - Success Based Fees

Post Election Tax Planning

- We pretty much know what President Trump’s position would be if re-elected
- The following slides summarize what we have read and heard if:
  - Joe Biden and Kamala Harris are elected, and
  - The Democratic party controls both the Senate and the House of Representatives in the next Congress
- Consider the possibility that a President Biden cannot completely “control” tax legislation if the Senate count is between 50-50 and 52-48.

C Corporations

- Joe Biden has steadfastly limited discussion of an increase in C corporation rates to 28%
  - Not clear whether graduated or flat
- Kamala Harris, Bernie Sanders, and Elizabeth Warren all advocated during the primary campaigns an increase to 35%
- Effective date – Possibly January 1 by 2022
  - Possibly effective January 1, 2021

C Corporations

- A rate increase will have the counter-intuitive effect for most C corporation community banks of recording book income in the month the change is signed by the President
  - Most banks have a deferred tax asset
  - An increase in rates will increase the asset

    Debit – Deferred Tax Asset

      Credit - Income

C Corporations

- A 15% minimum tax if book income exceeds $100 million
  - Is $100 million a “cliff” or a “threshold”
- More important to community banks, as lenders as well as taxpayers, there has been strong Democratic support in the House to retroactively repeal the 5 year carryback in the CARES Act and limit the carryback to 2018
  - To our knowledge, Biden has not addressed
  - Would limit the benefit to 21% rather than 34% or 35%

Community Bank Shareholders

- Increase the maximum individual rate from 37% to 39.6%
  - Biden has said the increase would only apply to incomes over $400,000
  - Not clear if $400,000 is adjusted gross income or taxable income
  - Not clear if a new graduated rate bracket, or
  - A 39.6% flat rate if over the threshold, or
  - Are the graduated rate brackets phased out over the threshold

Community Bank Shareholders

- During the campaigns, Harris, Sanders, and Warren advocated simply repealing the TCJA changes in the rates, reverting to 2017 rates
- Harris proposed a 4% tax surcharge on the liability of households with incomes over $100,000
  - It was to pay for her Medicare for All plan
  - That would have been a "cliff" tax.
- There has been support in the House for an individual rate higher than 39.6%

Community Bank Shareholders

- The 20% QBI deduction is in “play”
  - Biden’s plan would phase out the deduction beginning at incomes over $400,000
  - Harris, Sanders, and Warren would have simply repealed it
- Biden’s plan would limit the tax effect of itemized deductions to 28%
  - Harris, Sanders, and Warren would have restored the phase-out based on adjusted gross income

Community Bank Shareholders

- Long term capital gains & dividends
  - Biden's plan would tax long term capital gains and dividends at ordinary rates if income exceeds $1 million
  - Again, not clear if this is a "cliff" or a "threshold"
  - If a cliff, if income is $1,000,001 or more, then all capital gains would be taxed at ordinary rates.
  - If a threshold, only combined ordinary, capital gain, and dividend income over $1 million would be taxed at ordinary rates
  - No mention of lifting the limitation on capital losses

FICA & Medicare Tax

- Biden's plan would subject salaries and wages over $400,000 to FICA tax
  - Earned income up to $137,700 is subject to both the employer's and employee's FICA tax
  - Earned income from $137,700 to $400,000 is exempt
  - Earned over $400,000 would be subject to both taxes
- Effects the accrual of deferred compensation and equity compensation
  - Taxable for FICA & Medicare purposes as it vests

Paycheck Protection Loans

- The loan itself is fairly straight-forward from the tax perspective of the originating bank
- The loan is originated by the Bank, which obtains the SBA guarantee
  - If the loan is sold by the bank into the secondary market, it is probably sold at par, and if not, the sale is a normal loan sale for tax purposes

Paycheck Protection Loans

- The loan is forgivable to the extent used to pay wages and salaries of retained employees and certain other expenses
  - The SBA performs on its guarantee on forgiven loans
  - There probably is no charge-off or gain or loss to the originating bank
- No Form 1099-C is to be issued to the borrower for loan forgiveness
  - Announcement 2020-12

Paycheck Protection Loans

- It is not necessarily a tax issue for the originating banks, but the IRS has held that expenses paid with forgiven PPP loans are nondeductible

  "Section 265(a)(1) of the Code disallows any otherwise allowable deduction … for the amount of any payment of an eligible section 1106 expense to the extent of the resulting covered loan forgiveness…" [Notice 2020-32]

- Borrowers may be surprised, and cash short, if they are not taking the disallowance into consideration on estimated payments and cash flow projections

Paycheck Protection Loans

- The originating bank's material tax question is how to treat the **processing fees** paid by the SBA
  - The SBA pays a "processing fee" to the originating bank
    - The fee is a percentage of the initial loan principal
    - Paid when the loan is funded by the bank
    - Not refundable to the SBA unless the loan is held to be ineligible or is prematurely repaid
    - Retained by the originating bank if the loan is sold
  - The fee is not added to the borrower's note

Paycheck Protection Loans

- PPP loan processing fees (cont)
- GAAP Accounting - There appears to be a consensus regarding the proper GAAP accounting for the fees
  - ASC 310-20 (the "old" FAS 91)
  - Fees are treated as an adjustment to the interest yield, deferred and recognized over the loan period
  - The exception is if the fees are "immaterial," in which case many community banks recognize the fees in book income as earned
  - Recognized as gain on sale if the loan is sold

Paycheck Protection Loans

- PPP loan processing fees (cont)
- The recognition for income tax purposes is not nearly as clear
  - The IRS has not issued guidance
- The threshold question is whether the fees are:
  - An adjustment to the interest yield on the loan
  - A reimbursement for services rendered to the SBA by the bank

Paycheck Protection Loans

- The difference between current and deferred recognition for tax purposes is likely to be relatively short term
  - Current recognition will be in 2020
  - If the loans are sold, then deferred recognition will be when the sale closed, probably in 2020
  - If the loans are forgiven, then deferred recognition will not be later than the date forgiven, which will be either 2020 or 2021
- As noted elsewhere, the fees could possibly be taxed at a lower rate in 2020 than in 2021

Paycheck Protection Loans

- PPP loan processing fees
- Method of accounting - Many community banks have been recognizing occasional loan fees in book income when received – the fees were "immaterial"
  - They followed the books for tax purposes
  - Those banks probably have an established method of tax accounting for loan fees
  - To defer the SBA processing fees, they will need to file Form 3115 to change accounting methods
    - Should be automatic. [Rev Proc 2019-43, Section 30.01]

Paycheck Protection Loans

- PPP loan processing fees (cont)
- Deferred recognition is based on judicial precedent that amounts charged by the lender to the borrower are "interest" if they are intended to enhance the financial yield on the debt
- Reg 1.1273-2(g)(4) holds that any amount paid by a third party to the lender is treated as paid by the borrower
- Advance payments of interest create OID [Reg. 1.1273-2(g)(2)(i)

Paycheck Protection Loans

- PPP loan processing fees (cont)
- Current recognition is based on a view that the fees are a payment by the SBA for services rendered by the bank.
- Many of the “facts” suggest that the fees are for a service
  - The SBA PPP regulations state that the fee is to compensate the bank for processing the loan
  - The bank retains the fee if it sells the loan, suggesting that the fee is for a service already rendered, and that the yield on the loan must approximate market and not “enhanced” by the fee

Paycheck Protection Loans

- PPP loan processing fees (cont)
- Facts suggesting the fee is for a service (cont)
  - The fee is unaffected by loan forgiveness
- The clear reflection of income doctrine favors current recognition
  - Banks incurred significant expense learning how to originate the loans and doing so in a very compact time frame
  - Those costs will be deducted in the year the loans were originated
  - Current recognition matches income and expense

Employee Retention Credit

Whether banks qualify for the credit has created nearly as much discussion as the tax accounting for PPP loan processing fees

- The basics of the credit
  - The business must not have obtained a PPP loan
  - The business must have experienced:
    - A full or partial suspension of business due to a government order, or
    - A decline of more than 50% in gross receipts compared to the same calendar quarter in 2019

Employee Retention Credit

- The basics of the credit [cont]
  - The credit is a refundable credit per "Eligible Employee" equal to the lesser of 50% of "Qualified Wages" or $5,000
  - Companies with more than 100 employees [2019 average full-time employees] can claim credit for only employees that were being paid but not providing services

Employee Retention Credit

- The basics of the credit [cont]
  - “Qualified Wages” are the *lesser* of
    - Social Security wages plus healthcare benefits, paid after March 27, 2020, or
    - Wages paid in the preceding 30 day period, or
    - $10,000

Employee Retention Credit

- Are banks eligible to claim the Credit?
- Does the bank meet one of the eligibility standards?
  - Did the bank experience a full or partial suspension of business *due to a government order*?
    - Many banks at least partially suspended some operations, such as closing lobbies, but in most cases doing so was voluntary, not due to a government order?
    - In most cases, banks were considered an "essential business" and allowed to stay open and functioning
    - They accepted deposits, honored checks, made and collected loans, met with customers either virtually or in person by appointment, and generally functioned as banks

Employee Retention Credit

- Are banks eligible to claim the Credit [cont]
  - Did the bank experience a more than 50% decline in gross receipts compared to the same calendar quarter in 2019?
  - Consider that gross receipts are based on the bank's overall method of accounting.
    - An accrual method bank which extended the time for payment on a loan had no reduction in gross receipts unless it also suspended the accrual of interest during the deferral period,
    - By contrast, a cash method taxpayer bank that defers interest payments on a loan would not have gross receipts whether or not interest continued to accrue during the deferral period

Employee Retention Credit

- Are banks eligible to claim the Credit [cont]
  - There is probably no blanket conclusion for community banks
  - Some banks in some locations may meet one of the standards, but we suspect that will be the exception rather than the rule
  - Hopefully, the IRS will provide some favorable guidance before it is necessary to actually calculate the credit and commit to a position on a return

C Corporation NOL Carrybacks

- The CARES Act temporarily suspended the TCJA repeal of the C corporation NOL carryback
- 2018, 2019, and 2020 losses can be carried back 5 years, to as early as 2013
- The change was well publicized, but be alert to
  - The carryback is *mandatory unless* the there is an affirmative election to carry the loss forward
  - The carryback for five years is mandatory
  - There is no carryforward election in the 2018 or 2019 returns; the carryback was not available

C Corporation NOL Carrybacks

- C Corporation NOL Carrybacks [cont]
- Election to forego carryback must be filed with the tax return for first tax year ending after effective date of legislation (i.e., 2020 for calendar year filers)
- A combination of a late or invalid carryforward election *and* failure to timely file a carryback claim can cost the bank all tax benefit from the relevant loss

C Corporation NOL Carrybacks

- Revenue Procedure 2020-24 provides the procedures for making three elections
  - Election to waive the NOL carryback
  - Election to exclude Section 965 years from the carryback
  - Elections under a special rule for tax years beginning before 1-1-18 and ending after 12-31-17

Individual NOL Carrybacks

- The CARES Act also extended the NOL carryback period for individuals
  - Will affect S corporation bank shareholders
- Unlike C corporations, the TCJA allowed individuals a two year carryback
  - That is not extended to five years

Qualified Improvement Property CARES Act

- The Cares Act included the much publicized technical correction of the TCJA, retroactive to December 22, 2017
- All QIP placed-in-service after December 31, 2017 *must* be depreciated over 15-years and is eligible for bonus depreciation if requirements are satisfied
  - IRS views 39 years as an improper recovery period so a correction is mandatory.

Qualified Improvement Property CARES Act

- The IRS has provided two approaches to the correction [Rev Proc 2020-25]
  - The taxpayer files amended returns [administrative adjustment requests for partnerships or LLCs taxed as partnerships] for 2018 and 2019
    - Adjust taxable income to reflect 15 year depreciation on QIP
    - Results in an adjustment of 2018 and 2019 taxable income and either a refund of tax, or an increase in net operating losses carried back or forward

Qualified Improvement Property CARES Act

- Rev Proc 2020-25 [cont]
  - The taxpayer files Form 3115 in either an amended 2018 or 2019 return, or in the 2020 original return, to change the accounting method for QIP property.
    - The effect is to make the entire correction in one year
    - It is expected that this approach will actually only be used by taxpayers which choose to not file any amended returns.

Qualified Improvement Property CARES Act

- The Act clarified that QIP property includes only improvements made by the taxpayer
  - The taxpayer must install the QIP improvements
  - If the taxpayer buys a building that includes interior improvements otherwise meeting the definition of QIP, it is not eligible for the 15 year depreciation
    - The improvements made by the prior owner would be 39-year property unless qualified as tangible personal property

Excess Business Losses – CARES Act

- TCJA established a limit on individuals' deduction for "excess business losses"
  - Single individuals limited to $250,000
  - Married individuals filing joint returns limited to $500,000
- "Excess business loss" was the negative sum of all business income and losses of the taxpayer.
  - This has been widely misunderstood by people outside the tax profession to be a limitation on the deduction of losses by individuals with more than $250,000 or $500,000 of other adjusted gross income

Excess Business Losses – CARES Act

- CARES Act suspended the excess business loss provision for 2018, 2019 and 2020
  - Effective again in 2021
- Applies to all active business income reported in individual returns
- The suspension of the loss limitation is also mandatory
  - Individuals with suspended losses in 2018 or 2019 should amend returns
  - If the amendment creates a loss that the individual chooses to carry forward, a carryforward election can be made in the amended return

Refundable Corporate AMT CARES Act

- The Act includes an election to accelerate to 2018 the realization of refundable corporate AMT credits
- We typically think of this as a big corporation item because small corporations were exempt from the AMT.
- There were C Corporation community banks which were oversheltered in tax exempt municipal securities while they were "small" and then accumulated corporate AMT credits carried forward.

They were typically unable to use the credits in subsequent years and now have refundable credits.

Loan Modifications Regulation § 1.1001-3

- We have not thought a lot recently about the tax implications of loan modifications
  - However, loan forbearance during the pandemic has the potential for a taxable event
  - If there is a "significant modification," the change is treated as an exchange of the old loan for a new loan, and gain or loss is involved.
    - The bank has a loss on the exchange equal to the tax basis in the old loan that is greater than the present value of the contracted payments in the revised loan agreement

Loan Modifications
Regulation § 1.1001-3

- Tax effect of a “modification” [cont]
    - The borrower has an equal amount of discharge of debt income.
    - A Form 1099-C is required because the “agreement” between the bank and the borrower is an “identifiable event” of discharge
  - Applies to both cash and accrual method banks

Loan Modifications
Regulation § 1.1001-3

- There is no "exchange unless the modification is "significant."
- A modification is "significant" if either
  - The yield is changed by the greater of 25 basis points or 5 percent of the annual yield of the unmodified loan, or
  - There is a "material deferral" of payments

Loan Modifications
Regulation § 1.1001-3

- Safe harbor within which there is *not* a material deferral of payments that are due during the period
  - Beginning on the original due date of the first deferred payment, and
  - Ending after the lesser of five years or 50% of the original term of the loan, and

All of the deferred payments are unconditionally due before the end of the above period

Loan Modifications

- Many loan modifications that are material enough to be "significant" for tax purposes involve loans that have already had a partial charge-off
- In this case, a special rule prevents tax recognition of the prior charge-off as a recovery
  - The special rule is not where one expects
  - Reg. 1.166-3(a)(3) - the loan loss Regulations – not Regulation 1.1001-3
  - Inserts a "deemed charge-off" into the calculation of gain or loss on the modification

Loan Modifications
Regulation § 1.1001-3

- In practice, we do not frequently encounter "significant" loan modifications by community banks, but because of the pandemic, it is important to be sensitive to the possibility.
- The Form 1099-C reporting requirement may be one of the banks principal exposures to penalties and relationship issues.
- If the bank "misses" a modification, the effect on the bank is to defer a loss
  - Not necessarily either illegal or nonrecoverable when the loan is later resolved

Final S Corp Revocation Regs

- Not many changes from the proposed regulations
- No relief for the transition period from the cash to the accrual method for former QSub banks
  - IRS spend nearly 15 pages on the discussion and concluded that QSub's have effectively a one-year transition period
  - The holding company may have either a four or six year transition period
  - Could accelerate the positive QSub adjustment to one year and defer the negative holding company adjustment over six years

Final S Corp Revocation Regs

- Considerable discussion of the "no change in shareholders" rule for 6 year transition period & post termination distributions of AAA
  - No *di minimis* exception. Any issue, redemption or transfer of shares after December 22, 2017 eliminates the special 6 year rule
  - Death of a shareholder
    - If owned individually, no 6 year period
    - If owned through a disregarded entity or a trust, even a grantor trust, the six year rule is available
  - No exception for intra-family transfers

Qualified Business Income

- Spent a lot of time on this last year.
- A development encountered this year is an examination challenge whether an S corporation, not a bank, has more than one trade or business.
- Facts:
  - One line of business is clearly a qualified business
  - One line of business is clearly a service business
  - Operated out of the same location
  - Separate operating employees; common executives
  - Single general ledger; separate operating accounts

Qualified Business Income

- Examining agent's position:
  - No separate location
  - Common employees [senior management]
  - No "separate" books and records
    - There is one general ledger
    - Separate revenue accounts by line of business
    - Separate expense accounts for direct expenses
    - Single common overhead accounts that were allocated in the monthly internal financial reports and in the tax return workpapers on a "reasonable basis"

Qualified Business Income

- The principal issue is whether the S corporation meets the books & records test
  - Separate locations and all separate employees are not required by the Regulations
- The Regulations refer to "separable" books and records
  - Taxpayer's position, there may not be two income statements, but the income statement is "separable"
  - Regulations permit a "reasonable" allocation of overhead expenses

Qualified Business Income

- The issue is being elevated to Appeals
- The outcome bears watching by community banks that have significant "specified service businesses"
  - Trust departments
  - Wealth management and/or brokerage businesses
  - Servicing mortgages for others

BOLI – Final Regulations

- Final Regulations under the TCJA for “reportable” insurance policy sales were issued in late 2019
- A couple highlights for community banks
- Mergers and Acquisitions
  - Stock acquisitions of banks with BOLI assets
    - The Regulations have an exception to a reportable sale for an *“indirect”* acquisition of an insurance policy which (i) is an asset of the acquired corporation, and (ii) life insurance is less than 50% of the total acquired assets

BOLI – Final Regulations

- Mergers & Acquisitions [cont]
  - Stock acquisitions [cont]
    - Notice the reference to "indirect" acquisition
    - That is an acquisition in which the target corporation survives the acquisition
      - The purchase of stock with no Sec 338 election
      - A type "B" stock for stock exchange
      - A type "A" merger pursuant to Section 368(a)(2)(E)
    - If the target corporation does not survive, the acquisition is direct, not indirect. This blanket exception would not appear to apply

BOLI – Final Regulations

- Mergers & Acquisitions [cont]
    - If the Target does not survive the acquisition, then it appears the Acquirer would need one of the relationship exceptions below on a policy-by-policy basis
  - Asset acquisitions
    - Asset acquisitions of banks with BOLI assets are generally reportable sales
    - They have always involved gain or loss to the seller and the application of the transfer for value rule to the buyer

BOLI – Final Regulations

- Other exceptions to a reportable sale
  - Transfers among members of the consolidated return group
  - Transfers among entities with an 80% or more overlapping ownership
  - Certain Section 1035 exchanges

BOLI – Final Regulations

- Substantial relationship exceptions
  - Acquirer has a substantial family relationship to the insured
  - Acquirer has a substantial financial relationship with the insured
    - Joint or common investments with the insured
  - Acquirer has a substantial business relationship with the insured
    - Acquirer owns directly or indirectly 80% or more of the acquired business, and the insured is a key person or materially participates in the acquired business
    - The acquirer has a financial obligation to a key person of the acquired business

Forms 1099-A and C

- Some community banks apparently are not aware of the Form 1099-A and 1099-C filing requirements
- Form 1099-A must be filed with the IRS, with a copy to the borrower, whenever the bank acquires property that secured debt in full or partial satisfaction of the debt
  - Also due if collateral property has been abandoned by the borrower
  - The form is due the year *after* the calendar year when the property was acquired or abandoned

Forms 1099-A and C

- Form 1099-C must be filed if the bank discharges $600 or more of a debt
  - Note the $600 threshold; no similar threshold for Form 1099-A
  - There is no collateral requirement; applies to both secured and unsecured debt
  - If the acquisition of collateral and discharge of debt occur in the same year, only Form 1099-C is filed
  - Form 1099-C is due the year *after* the calendar year when the "identifiable event" of discharge occurs

Forms 1099-A and C

- “Identifiable Event” of cancellation
  - Detailed list in the instructions to the Form 1099-C
  - Most common examples
    - Agreement between the lender and debtor
    - The lender’s policy or decision to discontinue collection activity and cancel the debt
    - Discharge of the debtor in bankruptcy
    - Expiration of the statute of limitations on collection
  - The identifiable event may be several years after the charge-off by the bank

Forms 1099-A and C

- Distinguish between “discharge” of debt and payment by transferring collateral
  - The transfer of collateral, in foreclosure or deed in lieu, is a sale of the property by the debtor
    - Debtor’s gain or loss is the difference between the amount of debt satisfied and basis
    - Gain or loss may be capital gain or loss
    - Requires a Form 1099-A but not always 1099-C
  - Discharge is relief of the debtor for no consideration.
    - The debtor’s income is ordinary
    - Requires a Form 1099-C if over $600

Mergers & Acquisitions

- Purchase Accounting
  - Community banks often do have enough acquisition experience to be aware of purchase accounting
    - Discovered by the examiners later when the purchase accounting analysis has to be done retroactively, is very expensive to perform, and involves multiple amended call reports
  - Only the acquirer's statement of condition is adjusted to market
  - Acquirers need to be alert to the potential "common control" exception
    - During the application, not after approval

Mergers & Acquisitions

- Cash basis tax accounting
  - Acquirer is a cash basis taxpayer
  - Target is either an accrual or cash basis taxpayer
  - Transaction is an asset purchase
  - The Acquirer has a purchase price income tax basis in Target's accrued income receivable
    - No taxable income as collected
  - Acquirer does not include post-closing accrued income in taxable income
  - Acquirer's are routinely surprised by a large tax loss in the acquisition tax year

Mergers & Acquisitions

- Success Based Fees
  - M & A fees paid to investment bankers, business brokers, etc.
  - Rev. Proc. 2011-29 – The Service's attempt to settle a controversy with taxpayers over the amount that is deductible and the amount that is capitalized as a transaction cost
  - An elective safe harbor

Mergers & Acquisitions

- Success Based Fees (cont)
- A continuing source of practitioner questions is the availability of the election
- Only available for "covered transactions" under the Section 263(a) Regulations
  - Taxable sale of stock and tax-deferred ["tax-free"] reorganizations
    - Available to both buyer and seller
  - Taxable sale and purchase of assets
    - Only available to the buyer

Mergers & Acquisitions

- Success based fees (cont)
- If the safe harbor is elected
  - 70% of the fee is deemed deductible as an ordinary business expense when incurred
  - 30% of the fee is deemed to be a capitalized transaction cost.
    - In an asset purchase, included by the buyer in the purchase price allocated among the assets
    - In a stock purchase, basis in the acquired stock
  - Recommend making the election if available

Mergers & Acquisitions

- Success Based Fees (cont)
- In a taxable sale of assets, the seller must either
  - Use the "facts and circumstances" test in the Section 263(a) Regulations to establish the cost of services rendered before the bright line date, or
  - Capitalize all of the fee
    - The effect of capitalizing the fee is to deduct the fee from the proceeds of sale
    - Probably results in the effect of a capital gain deduction rather than a pre-sale ordinary business expense deduction

Mergers & Acquisitions

- Success based fees (cont)
- Milestone payments
  - An issue whether the safe harbor was available for "milestone payments" toward the success based fee that became due at various stages of the transaction, e.g. signing the letter of intent or definitive agreement
  - An LB&I Directive instructed examiners to allow the election for "milestone payments"

Mergers & Acquisitions

- Success based fees without the safe harbor election in Rev Proc 2011-29
  - IRS Chief Counsel Memorandum Number 201830011 dated July 27,2018 denies any deduction based on an investment banker's estimate of the percentage of time spent on facilitative and non-facilitative activities
  - The letter included a caveat stating the investment banker does not keep time records

Thank You for Attending

The edge of
a hurricane

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