



**SJSU/TEI
HIGH TECHNOLOGY
TAX INSTITUTE**

NOVEMBER 6 & 7, 2006
CROWNE PLAZA CABANA HOTEL
4290 EL CAMINO REAL
PALO ALTO, CA

*SPONSORED BY
TAX EXECUTIVES INSTITUTE
&
SAN JOSE STATE UNIVERSITY
COLLEGE OF BUSINESS*

22ND ANNUAL

22nd Annual High Technology Tax Institute

San Jose State University
College of Business
One Washington Square, BT 850
San Jose, CA 95192-0066

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... an invaluable, tax education experience for accountants, attorneys, and corporate employees who serve high technology companies.

Since 1984, the Tax Executives Institute (TEI) and San José State University have sponsored the High Technology Tax Institute in Silicon Valley. The Institute's focus on relevant tax issues for hardware and software companies, as well as pharmaceutical, biotech, communication, and aerospace industries makes it an invaluable tax education experience for accountants, attorneys, and corporate employees who serve high technology companies.

Each Institute session is designed to foster sharing of tax planning ideas and problem-solving strategies at a level consistent with TEI and San Jose State University's high standards for professional tax education. Sessions are presented by nationally recognized practitioners and Treasury representatives who have the practical experience of implementation.

Sixteen hours of Continuing Professional Education credit are available for certified public accountants and attorneys who specialize in the field of taxation.

This year's Institute highlights the following topics and speakers:

- *Top Tax Planning Tips for High Tech Companies*
- *Federal High Tech Tax Current Developments*
- *International High Technology U.S. Tax Current Developments*
- *California and Multistate High Technology Tax Current Developments*
- *IRC §199 Update*
- *IRS Practice & Procedure & the High Tech Examinee*
- *Tax Implications of Doing Business in India*
- *Living Successfully with FAS 109*
- *Cost Sharing/Buy-in Payments*
- *Tax Reform and Its Relevance to High Tech Businesses*
- *Mergers and Acquisitions Current Developments and Planning Strategies*
- *Tax Considerations When Public Companies Acquire Private Companies*
- *FAS 123R and SEC Reporting Issues and Tax Implications*

FEATURED SPEAKERS

- | | |
|------------------------------|---------------------------------|
| • <i>Barton Bassett</i> | • <i>Ed McClellan</i> |
| • <i>Thomas Bondi</i> | • <i>Buff Miller</i> |
| • <i>John M. Breen</i> | • <i>Steven A. Musher</i> |
| • <i>Peter Campagna</i> | • <i>Annette Nellen</i> |
| • <i>Carol Conjura</i> | • <i>Brian Pedersen</i> |
| • <i>Brian L. Cumberland</i> | • <i>Wendy Perez</i> |
| • <i>Nishith Desai</i> | • <i>John M. Peterson</i> |
| • <i>Danni Dunn</i> | • <i>Enrique Rayon</i> |
| • <i>Lester Ezrati</i> | • <i>Michael Reichert</i> |
| • <i>Randy Free</i> | • <i>David B. Robison</i> |
| • <i>Jim Fuller</i> | • <i>Ray Rossi</i> |
| • <i>Andrew Gibson</i> | • <i>Charles O. Rossotti</i> |
| • <i>David Gill</i> | • <i>Stephen P. Sedler</i> |
| • <i>Hal Hicks</i> | • <i>Jeffrey L. Shore</i> |
| • <i>Joe Huddleston</i> | • <i>Allan Smith</i> |
| • <i>Ivan Humphreys</i> | • <i>Jeff Sokol</i> |
| • <i>Maria S. Hwang</i> | • <i>Eric Solomon (invited)</i> |
| • <i>Mallorie K. Jeong</i> | • <i>Jim Songey</i> |
| • <i>Ellie Kehmeier</i> | • <i>Rob Terpening</i> |
| • <i>Glen Kohl</i> | • <i>Donald B. Thomas</i> |
| • <i>Larry R. Langdon</i> | • <i>Rusty Thomas</i> |
| • <i>Cherrilynn Lee</i> | • <i>Neil Traubenberg</i> |
| • <i>Gagan Malik</i> | • <i>Thomas W. Wilson, Jr.</i> |
| | • <i>Janet Wong</i> |



MONDAY NOVEMBER 6

7:30 - 8:15 **REGISTRATION & COFFEE**

8:15 - 8:30 **INTRODUCTIONS**

- **Donald Scott**
TEI Santa Clara Valley Chapter President
- **Bruce Magid, Dean**
SJSU College of Business
- **Annette Nellen**
Tax Professor, SJSU

8:30 - 9:00 **TOP TAX PLANNING TIPS FOR HIGH TECH COMPANIES**

What are the top planning considerations for high tech companies? What are some often overlooked opportunities to minimize tax? International, federal, state and local taxes will be addressed.

- **Lester Ezrati, Senior Vice President, Tax**
Hewlett Packard
- **Michael Reichert, Global Managing Tax Partner-Technology Industry**
Deloitte
- **Janet Wong, Partner**
KPMG



MONDAY NOVEMBER 6

9:00 - 10:00 **FEDERAL HIGH TECH TAX CURRENT DEVELOPMENTS**

Focus on domestic federal developments including IRC 409A.

- **Brian L. Cumberland, Managing Director**
Alvarez & Marsal
- **Annette Nellen, Professor**
San José State University

10:00 - 10:20 **BREAK**

10:20 - 12:00 **BREAKOUT SESSION #1:
International High Technology U.S. Tax Current Developments**

Comprehensive review of developments relevant to high tech companies.

- **Jim Fuller, Partner**
Fenwick & West

**BREAKOUT SESSION #2:
California and Multistate High Technology Tax Current Developments**

Comprehensive review of recent legislation and cases affecting high tech businesses.

- **Brian Pedersen, Managing Director**
Alvarez & Marsal
 - **Allan Smith, Partner**
Grant Thornton
 - **Jim Songey, Partner**
KPMG
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MONDAY NOVEMBER 6

12:00 - 1:45 LUNCH & SPEAKER

- **Steven A. Musher, Associate Chief Counsel, International**
Internal Revenue Service

2:00 - 5:15 BREAKOUT SESSION #3 (consisting of 2 presentations): IRC §199 Update (45 minutes)

A review and analysis of recent guidance under IRC §199 as it relates to high tech companies.

- **Carol Conjura, Partner**
KPMG

2:45 - 3:00 BREAK

IRS Practice & Procedure & the High Tech Examinee (2 1/4 hours)

IRS initiatives including ATG on the research tax credit, current audit cycle theory and approach, document management issues, current practice regarding attorney-client privilege, use of M-3 by the IRS, other matters of interest to high technology companies.

- **Maria S. Hwang, Territory Manager-Communication, Technology & Media Industry**
Internal Revenue Service
- **Mallorie K. Jeong, Technical Advisor-Research Credit**
Internal Revenue Service
- **Cherrilynn Lee, LMSB Technical Advisor for High Technology**
Internal Revenue Service

MONDAY NOVEMBER 6

CONTINUED

- **David B. Robison, Senior Advisor-Tax Resolution Strategies**
Skadden Arps; former National Chief of Appeals
- **Stephen P. Sedler, Senior Vice President of Taxes and International Trade Administration**
Seagate Technology
- **Thomas W. Wilson, Jr., Managing Director PWC IRS Service Team**
PricewaterhouseCoopers; Former IRS Industry Director, Communications, Technology & Media

BREAKOUT SESSION #4:

Tax Implications of Doing Business in India

What a tax director or adviser should know about starting or expanding operations in India, with a focus on strategies, opportunities and cautions.

- **Barton Bassett, Partner**
Fenwick & West
- **Nishith Desai, Founder**
Nishith Desai Associates
- **David Gill, International Tax Partner**
Ernst & Young
- **Gagan Malik, Senior Manager, India Tax Desk**
Ernst & Young

HOSTED SOCIAL HOUR

Sponsored by

Alvarez and Marsal Tax Advisory Services, LLC

5:15 - 7:30PM

<http://www.alvarezandmarsal.com>



TUESDAY NOVEMBER 7

7:30 - 8:00 REGISTRATION & COFFEE

8:00 - 12:15

BREAKOUT SESSION #5: Living Successfully with FAS 109

The basics of FAS 109, current developments and issues; uncertain tax positions; and how to avoid problems.

- **Glen Kohl, Senior Vice President-Tax and Treasury**
Electronic Arts
- **Jeff Sokol, Partner**
Deloitte
- **Rob Terpening, Partner**
BDO Seidman LLP
- **Donald B. Thomas, former FASB Interpretation 48 Project Manager**
- **Rusty Thomas, Partner**
KPMG
- **Neil Traubenberg, Vice President-Tax**
Sun Microsystems

10:00 - 10:15 BREAK

BREAKOUT SESSION #6 (consisting of 2 presentations): Cost Sharing/Buy-in Payments (2 hours)

A review of recent and pending guidance, IRS concerns, planning and avoiding problems.

- **John M. Breen, Chief, Branch 6, Office of the Associate Chief Counsel (Int'l)**
Internal Revenue Service
- **Hal Hicks, International Tax Counsel**
Department of the Treasury



TUESDAY NOVEMBER 7

CONTINUED

- **John M. Peterson, Partner**
Baker & McKenzie
- **Enrique Rayon, Ph.D., Director of Transfer Pricing-Western Region**
Grant Thornton

Tax Reform and Its Relevance to High Tech Businesses (2 hours)

An overview to why tax reform is needed, commentary on the proposals of the President's advisory panel; what is most important to high tech in terms of international, domestic and state tax reform. Why has significant reform occurred in some states, but not others?

- **Joe Huddleston, Executive Director**
Multistate Tax Commission
- **Larry R. Langdon, Partner**
Mayer Brown Rowe & Maw
former Commissioner LMSB, IRS
- **Ed McClellan, Partner**
Alston & Bird
former Tax Counsel with the Committee on Finance, U.S. Senate
- **Ray Rossi, Director of External Tax Affairs**
Intel
- **Charles O. Rossotti, Senior Advisor**
The Carlyle Group; President's Advisory Panel on Federal Tax Reform; former IRS Commissioner
- **Eric Solomon, Deputy Assistant Secretary (Regulatory Affairs) - Office of Tax Policy (invited)**
Department of the Treasury



TUESDAY NOVEMBER 7

12:15 - 1:40 LUNCH & SPEAKER

- **Eric Solomon, Deputy Assistant Secretary (Regulatory Affairs) – Office of Tax Policy** (*invited*)
Department of the Treasury

1:45 - 2:45 MERGERS AND ACQUISITIONS CURRENT DEVELOPMENTS AND PLANNING STRATEGIES

A review of current M&A developments and their relevance to high tech companies.

- **Danni Dunn, Tax Partner**
Ernst & Young
- **Hal Hicks, International Tax Counsel**
Department of the Treasury
- **Ivan Humphreys, Partner**
Wilson Sonsini Goodrich & Rosati
- **Jeffrey L. Shore, Senior Income Tax Counsel**
Intel

2:45 - 3:00 BREAK

3:00 - 5:15 BREAKOUT SESSION #7: Tax Considerations When Public Companies Acquire Private Companies

An exploration of certain tax implications and planning opportunities that arise when a public company acquires a private company. Topics will include the effect of service related earnout conditions or vesting restrictions on the character of payments for target stock, the interplay of the installment sale rules and section 338(h)(10) elections when acquiring an S corp, the interplay of the installment sale rules and a disqualifying disposition of ISO shares, assuming target stock options with a possible Section 409A taint, section 280G issues, IP planning, withholding tax planning, and integration of IP and foreign subsidiaries.



TUESDAY NOVEMBER 7

CONTINUED

- **Thomas Bondi, Principal/Director of Emerging Business Services Group**
Berger Lewis
- **Randy Free, West Region International Tax Practice Leader**
Grant Thornton
- **Buff Miller, Partner**
Cooley Godward

**BREAKOUT SESSION #8:
FAS 123R and SEC Reporting Issues and Tax Implications**
Reporting valuation and tax considerations of the reporting guidance and issues, including changes to cash flow statements and EPS calculations. The current issues surrounding SEC investigations on option grant practices would also be addressed with an emphasis on the tax implications involved.

- **Peter Campagna, Vice President**
Clark Consulting
 - **Andrew Gibson, Partner**
BDO Seidman, LLP
 - **Ellie Kehmeier, Tax Director**
Deloitte
 - **Wendy Perez, Tax Partner**
Ernst & Young
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REGISTRATION AND ACCOMMODATIONS

*Tuition fee includes all sessions, materials, lunches
and refreshment breaks.*

On or before October 20	\$600
After October 20	\$625
Special TEI Member/Guest of TEI member rate before Oct. 20, 2006 (after, \$600)	\$550

The High Technology Tax Institute has been approved for Continuing Professional Education accreditation by the California State Board of Accountancy. The conference qualifies for 16 hours of CPE credit. San José State University's College of Business, certifies that an application is pending for approval of this activity for MCLE credit by the State Bar of California.

*The Crowne Plaza Cabaña
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Palo Alto, California 94306
Hotel Room Rate: \$159/night
Reservations: (650) 628-0114*

Contact the hotel by October 15, 2006 and identify yourself as a High Technology Tax Institute participant to qualify for the special rate.

The Institute will refund registration fees contingent on receipt of a written request postmarked by October 20, 2006. The Institute will retain a \$50 processing fee. No refund requests postmarked after October 20, 2006 will be accepted.

TUITION FEES

CPE CREDITS

HOTEL ACCOMM- ODATIONS

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