

The 2008 Law Student Tax Challenge
J.D. Division
Official Rules

Part I: Organization of the 2008 Law Student Tax Challenge

1. Purpose and administration. The Law Student Tax Challenge (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 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 federal tax law.

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

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

PROBLEM DISTRIBUTED VIA LSTC WEBSITE: Wednesday, August 27, 2008

DEADLINE TO RECEIVE WRITTEN WORK PRODUCT: 5 p.m. (Eastern Standard Time), Friday, November 7, 2008

SEMI-FINALISTS WILL BE NOTIFIED BY: Friday, December 19, 2008

Part 2: **Oral Defense of Written Work Product** (as governed by the rules below, *for those six (6) teams selected as semi-finalists based on their Written Work Product*).

SEMI-FINAL AND FINAL ORAL ROUNDS: Friday, January 9, 2009, in New Orleans, LA.

3. Teams. Any 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) law students, neither of whom has earned a Juris Doctor degree (or its equivalent) by the Written Work Product submission deadline date.

Both student team members must be matriculated at an ABA-accredited law school and in good standing with its academic dean. A student in visiting status

will be permitted to participate so long as the student meets 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, must be a full-time student at the Represented School, and must be in good standing at both schools. 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 [visiting student's school of matriculation], 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 student's school of matriculation in applicable press releases.

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.

Schools are encouraged to use the problem itself in their selection of team members.

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 their team is selected as a semi-finalist. See [Part V: Rules for the Faculty Sponsor](#), below.

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 may be required to provide personal information as requested by the American Bar Association Tax Section. 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 awards and prizes will be announced and presented at the ABA Section of Taxation 2009

Midyear Meeting.

- 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 Tax Section for the 2009-10 membership year. (Free Tax Section membership requires membership in the American Bar Association).
- 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 those teams **selected as semi-finalists** will receive complimentary registration to the ABA Section of Taxation Midyear Meeting, as well as free admission to the Section Reception and Section Breakfast. All semi-finalist team members and their faculty sponsors will receive complimentary domestic airfare (for travel within the fifty (50) United States) and hotel accommodations for two (2) nights. Additional information will be mailed to all teams selected as semi-finalists.
- d. All student members of those teams **selected as semi-finalists** will receive a plaque recognizing the accomplishment (including, for members of the first, second and third place teams, their team's final placement).
- e. Each student member of the **third place** team will receive a monetary award of two hundred dollars (\$200), free membership in the American Bar Association Tax Section for one (1) year after graduation and free meeting registration for ABA Tax Section meetings for one (1) year after graduation, beginning September 1 following graduation. (Free Tax Section membership and meeting registration requires membership in the American Bar Association).
- f. 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 Tax Section for two (2) years after graduation and free meeting registration for ABA Tax Section meetings for two (2) years after graduation, beginning September 1 following graduation. (Free Tax Section membership and meeting registration requires membership in the

American Bar Association). In addition, a plaque will be presented to the law school.

- g. 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 Tax Section for three (3) years after graduation and free meeting registration for ABA Tax Section meetings for three (3) years after graduation, beginning September 1 following graduation. (Free Tax Section membership and meeting registration requires membership in the American Bar Association). In addition, a plaque will be presented to the law school.

Team members will be presented with their plaques at the Young Lawyers Forum Reception during the Tax Section's Midyear Meeting on Friday, January 9, 2008.

5. Questions or comments? Anyone considering participation in the LSTC should join the LSTC ListServ, TAX-LSTC, by [completing this form](#) or by sending an email to LISTSERV@MAIL.ABANET.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.ABANET.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 Tax Section Law Student LSTC website: www.abanet.org/tax/lstc.

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 LSTC website, and if so, will also be distributed through the TAX-LSTC ListServ. Competitors should check the Law Student LSTC website at least weekly for additional information.

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's Washington, DC office electronically on or before the designated deadline of **5 p.m. (Eastern Standard Time)**, Friday, November 7, 2008. Student team members selected as semi-finalists will be notified by Friday, December 19, 2007.
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), must be sent via fax or mail and must be received by the deadline stated above. Both team members must sign the Official Entry Form. Failure to provide contact information (telephone numbers and e-mail addresses) on the Official Entry Form may delay notification of semi-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 by 5 p.m. (Eastern Standard Time), Friday, November 7, 2008, in the following manner:

Go to <http://www.abanet.org/tax/lstc/2008/jdentryform08.html> to upload your client letter and memorandum as one Adobe PDF file. The file name **must not** identify individuals or schools. It must be received by the deadline. No entries will be accepted by mail or facsimile.

If you have any difficulty, please call 202-662-8646 or email: hansenf@staff.abanet.org

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 Ass'n, Uniform System of Citation (18th 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: J.D. Team Number _____ (leave blank)

DATE: [insert date of submission]

SUBJECT: 2008 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 their 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.
- 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.
 - 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.
 - 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 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 4 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 J.D. 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:

2008 Law Student Tax Challenge Problem

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

Sincerely,
J.D. 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.
- 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.
 - 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.
 - 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 semi-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 below). **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.**

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.

Part III: Rules for the Oral Defense part of the competition

1. General Information. At the designated time during the Section's Midyear Meeting, each of the six (6) teams selected as semi-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 (i.e., the semi-final round). Those semi-finalists who advance to the final round must orally explain and defend their Client Letter in front of three (3) to five (5) judges acting as mock senior partners and/or clients (i.e., the final round).

Each semi-finalist team will be required to sign an [Oral Defense Compliance Certification Form](#) (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 below). 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.4: Tie Breaking](#), below.

2. Semi-final Round.

- a. ***Participation: Six (6) teams selected by the LSTC Administrators as semi-finalists will be invited to the ABA Section of Taxation Midyear Meeting to compete in the oral competition.*** All six semi-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 (2) weeks prior thereto. FOR THE 2008 LSTC, THE SEMI-FINAL ROUND WILL BE HELD ON FRIDAY, JANUARY 9, 2008, IN NEW ORLEANS, LA, SOMETIME BETWEEN 9:00 A.M. AND 12:00 NOON.
- b. ***Grouping of semi-finalist teams:*** The semi-finalist teams will be divided into two groups. Each group will appear before a different panel of judges. The two semi-finalist teams having the highest scores on the Written Work Product will be placed in separate groups. Each remaining semi-finalist team will be randomly assigned to a group. Neither the semi-finalist teams nor the judging panels will be advised of the teams' scores or relative rankings on the Written Work Product. The team with the highest score on the Written Work Product will be announced at the Young Lawyers Forum Reception during the Midyear Meeting on Friday, January 9, 2009.
- c. ***Attendance:*** The semi-final round will be open to the general public. However, team faculty sponsors for J.D. teams participating in the semi-final round and/or for LL.M. teams participating in oral defense are prohibited from attending the semi-final round for any teams other than the faculty sponsor's own team(s). Participants may not watch other teams or gather information regarding the performance of another team (or of the judges) either directly or indirectly in the semi-final rounds. Participants may not communicate with anyone about the performance of other teams until after the competition ends.
- d. ***Concept and purpose of semi-final round:*** In the semi-final round, the 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 six semi-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 may not have reviewed written work product.
- e. ***Length of questioning and how the team should start:*** Each team will appear for 25 minutes in front of the judges. Both team members must be present. While each team member is expected to participate in the semi-

final round, 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, acting as senior partners, 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).

- f. *Materials needed for the semi-final round:* The team members are allowed to bring a copy of the Internal Revenue Code and any other written material into the semi-final round 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 six (6) identical copies of the semi-final round hand-outs shall be submitted by the team to the LSTC Administrators immediately prior to the team's appearance in the semi-final round. 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. Points will not be awarded for the use of visual aids.
- g. *Scoring the semi-final round:* The maximum score for each team is 30 points.
- The teamwork shown in the semi-final round 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 towards the other, and the level of knowledge regarding the facts and the tax law collectively demonstrated by the team.
 - The technical tax knowledge demonstrated in the semi-final round 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.

- The individual presentation in the semi-final round 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).

3. Final Round.

- a. *Participation: **Three (3) teams selected by the LSTC Administrators as finalists will participate in the Final Round.*** The highest-scoring team from each group, and the highest-scoring of the remaining four semi-finalist teams, will be selected as finalists. All three finalist teams will compete on the Friday afternoon of the ABA Section of Taxation Midyear Meeting. Teams selected as finalists will be informed of the time and room assignment for their final round as they are selected.

FOR THE 2008 LSTC, THE FINAL ROUND WILL BE ON FRIDAY, JANUARY 9, 2008, IN NEW ORLEANS, LA SOMETIME BETWEEN 1:00 P.M. AND 4:00 P.M.

- b. *Attendance:* The final round will be open to the general public. However, team faculty sponsors for J.D. teams participating in the final round and/or LL.M. teams participating in oral defense are prohibited from attending the final round for any teams other than the faculty sponsor's own team(s). Participants in the final round may not watch other teams or gather information regarding the performance of another team (or of the judges) either directly or indirectly in the final rounds. Participants may not communicate with anyone about the performance of other teams until after the competition ends.
- c. *Concept and purpose of final round:* In the final round, the 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 three finalist teams will, individually, appear before the judges. Each team will be aggregately 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 Client Letter, but the judges are not prohibited from asking questions to any particular team that are not addressed in their respective written work product.

- d. *Length of questioning and how the teams should start:* Each team will appear for 25 minutes in front of the judges. Both team members must be present. While each team member is expected to participate in the final round, 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, in layperson's terms, 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 (acting as non-attorney 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 final round:* The team members are allowed to bring a copy of the Internal Revenue Code and any other written material into the final round and are free to use them 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 six (6) identical copies of the final round handouts shall be submitted by the team to the LSTC Administrators immediately prior to the team's appearance in the final round. No other visual aids of any kind shall be permitted. The team members are encouraged to consider the appropriateness of using visual aids in a presentation to a client. Points will not be awarded for the use of visual aids.
- f. *Scoring the final round:* The maximum score for each team is 30 points.

- The teamwork shown in the final round 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 towards the other, and the level of knowledge regarding the facts and the law collectively demonstrated by the team.
- The technical tax knowledge demonstrated in the final round is worth 15 points (7.5 points for each team member). Technical tax knowledge includes, but is not limited to, setting forth 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.

- The individual presentation in the final round is worth 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 presentation to the audience (clients).
4. 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 higher "individual presentation" score for the round; and next, (ii) the team having the higher score on the Written Work Product.

Part IV: Rules for the Law Student Team Members

1. The 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. The Oral Defense of the 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 semi-finalist team will be required to sign a [compliance form](#), in the form attached, prior to the commencement of the semi-final round.

Part V: Rules for the Faculty Sponsor

1. The 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 it is forbidden. 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 student's 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.