

48th Annual
HAWAII TAX INSTITUTE

SPONSORED BY
HAWAII TAX INSTITUTE FOUNDATION &
CHAMINADE UNIVERSITY OF HONOLULU

DECEMBER 5 - 8, 2011
SHERATON WAIKIKI RESORT
HONOLULU, HAWAII



WIN A FREE REGISTRATION!

(First time registrants only)

visit WWW.HITAXINSTITUTE.ORG for details

48th Annual HAWAII TAX INSTITUTE

SPONSORED BY
HAWAII TAX INSTITUTE FOUNDATION &
CHAMINADE UNIVERSITY OF HONOLULU

DECEMBER 5 - 8, 2011
SHERATON WAIKIKI RESORT
HONOLULU, HAWAII



Hawaii Tax Institute Foundation • P.O. Box 1381 • Honolulu, Hawaii 96807 • (808) 540-3931
www.hitaxinstitute.org

WELCOME

Practitioners interested in keeping abreast of the latest developments in tax and wealth transfer matters are certain to welcome the opportunity to participate in the 48th Annual Hawaii Tax Institute sponsored by the Hawaii Tax Institute Foundation and Chaminade University of Honolulu. This year's program will combine the far-reaching experience of its distinguished panel of recognized tax and wealth transfer authorities with a positive approach to current and practical subjects.

While the Institute is designed primarily to serve as a forum where tax and wealth transfer oriented people may freely exchange ideas on practical problems, professional status is not a prerequisite for registration. This program is designed for attorneys, accountants, financial planners, bank and trust administrators, insurance agents, non-profit administrators and others who would benefit from high quality continuing education. A high level of learning has been the hallmark of prior Institutes and we shall endeavor to again maintain this standard.

The Hawaii Tax Institute Foundation and Chaminade University of Honolulu do NOT discriminate against any person on the basis of race, color, sex, sexual orientation, religion, age, national or ethnic origin, political beliefs, veteran status, or physical disability in admission to, access to, or employment in its programs and activities.

For additional information, please contact the Hawaii Tax Institute Foundation at (808)-540-3931.

HAWAII TAX INSTITUTE DIRECTOR AND MEMBERS

INSTITUTE ADVISORY COMMITTEE

JAMES W. Y. WONG

Organization Director Emeritus
Certified Public Accountant

THOMAS G. CABRINHA

Certified Public Accountant
Erwin Cabrinha & Au, LLP

RACHEL HANLON

Senior Vice President
Wealth Management Office Manager
First Hawaiian Bank

KURT K. KAWAFUCHI

Director (Fmr.)
Department of Taxation, State of Hawaii

MELANIE KING

Certified Public Accountant

(DICK) ISOO OSHIMA

Certified Public Accountant
Oshima Company CPA LLC

PHYLLIS N. T. SHEA

Certified Public Accountant
Shea & Company CPAs, Inc.

PETER SHEEHAN

Vice President
Trust Officer and Senior Fiduciary Leader
Bank of Hawaii

CORI C. WESTON

Senior Vice President
Investment Services Group Business
Services Manager
Bank of Hawaii

DOUGLAS D. WILSON

Principal
Trustee Consulting, LLC

VERA WRIGHT

Income Tax Manager
Bank of Hawaii

ALAN M.L. YEE

Certified Public Accountant
KMH, LLP

ALAN T. YOSHITAKE

Attorney
Seyfarth Shaw LLP

HONORARY MEMBERS

ROY M. ADAMS

Attorney
Roy M. Adams & Associates PLLC
New York, New York

N. JEROLD COHEN

Attorney
Sutherland Asbill & Brennan LLP
Atlanta, Georgia

GEORGE FREITAS

Retired Director
Department of Taxation,
State of Hawaii

MARTIN D. GINSBURG

Professor/Attorney
Georgetown University Law Center
Counsel to Fried, Frank, Harris,
Shriver & Jacobson, LLP
Washington, D.C.

GORDON D. HENDERSON

Attorney
Weil, Gotshal & Manges LLP
New York, New York

JACK S. LEVIN

Attorney, CPA
Kirkland & Ellis LLP
Chicago, Illinois

HAWAII TAX INSTITUTE SPONSORS

Hawaii Tax Institute Foundation and Chaminade University of Honolulu gratefully acknowledge the generous contributions of the following sponsors:



AmeriCaptive, LLC

AmeriCaptive, LLC provides customized captive insurance solutions that help reduce the cost of insurance, secure greater coverage, and procure valuable tax benefits. Backed by a global team of experts in the captive insurance industry, AmeriCaptive offers simple, transparent pricing and bespoke customer service.



Bank of Hawaii

Bank of Hawaii has the largest and most experienced trust department in the State of Hawaii and offers fiduciary and family services, including banking, investments, tax, financial planning, real estate, charitable foundations and retirement planning.



Bernstein Global Wealth Management

Research is the basis of our ability to prudently manage the assets under our care; it is also the foundation of the full array of investment products, both global and local, that Bernstein offers.



BNY Mellon Wealth Management

BNY Mellon Wealth Management is among the nation's leading wealth managers, with more than two centuries of experience in providing investment management, wealth and estate planning, and private banking services to financially successful individuals and families.



Bonhams & Butterfields

The Bonhams Group is a growing international auction house, offering more sales than any other firm in the industry, hosting over 700 auctions per year in every conceivable collecting category.



ECA – Erwin Cabrinha & Au, LLP

A Certified Public Accounting Firm which anticipates client needs for practical business solutions, financial and other business problems.



Fidelity Charitable

Fidelity Charitable Services is a leader in providing charitable solutions for individuals, advisors, and companies, helping them reach their philanthropic goals.



Fiduciary Trust

Since 1931, Fiduciary Trust Company International has provided integrated wealth management to individuals, families, foundations and endowments around the world.



First Hawaiian Bank

With over 150 years of experience, First Hawaiian's Wealth Management Group serves as a trusted advisor, helping clients grow, preserve, and transfer their assets to future generations.



Frontier Administrative Services, LLC

Frontier Administrative Services focuses on the formation and continued administration of Wyoming private trust companies and strives to streamline the management of assets through comprehensive, flexible and individualized family office services.



Hochman Rettig

Offices in Honolulu, Hawaii and Beverly Hills, California, specializing in federal and state tax controversy and civil and criminal tax litigation, tax, business, and family wealth transfers throughout the country.



KMH

KMH LLP, is dedicated to providing high quality professional service and guidance for all accounting and business consulting needs.



Marsh Private Client Life Insurance Services

Marsh Private Client Life Insurance Services provides personal risk management consultation, advice, and solutions to individuals, families, and business owners of significant wealth. Using a consultative approach, we create personalized risk management programs to address wealth protection and preservation concerns.



Merrill Lynch

One of the world's leading wealth management, capital markets and advisory companies, with offices in 40 countries and territories and total client assets of approximately \$1.6 trillion.



Schiff Hardin

From its very inception, Schiff Hardin's focus has been on counseling and growing with business and corporate clients. Schiff Hardin began counseling many of its current banking and industrial clients in the 1870s and 1880s.



Seyfarth Shaw LLP

A full-service law firm serving clients throughout the globe. The Firm's growth is the result of a deliberate strategy to meet the clients' need for coordinated, high-quality legal representation in a global economy.



Sterling Foundation Management, LLC

Sterling is the advisor's turn key solution for all of their clients' charitable needs. From the ongoing administration of charitable foundations, to the disposition of non-charitable interests in Charitable trusts, Sterling handles it all.



Strategic Valuation Group, LLC

SVG is a full service valuation firm, which provides valuation opinions for businesses, real estate, and intangible assets. Our professionals have significant experience in performing appraisals for estate and gift tax matters, litigation support, mergers and acquisitions, financial reporting, ESOPs, and other matters.



South Dakota Trust

South Dakota Trust Company LLC, with more than \$9.5 billion in assets under administration, works with clients globally providing cost-effective, service-oriented trust administration utilizing South Dakota law.

HAWAII TAX INSTITUTE FACULTY

NEIL ABERCROMBIE, Governor
State of Hawaii
Honolulu, Hawaii

ROY M. ADAMS, Attorney
Roy M. Adams &
Associates PLLC
New York, New York

WILLIAM H. ATHA, II,
Vice President
Bernstein Global Wealth
Management
Los Angeles, California

JOHN F. BERGNER, Attorney
Winstead PC
Dallas, Texas

HARMON A. BROWN, Attorney
Schiff Hardin LLP
Chicago, Illinois

KYLE DEVRIES, CLU
Creative Edge Planning, LLC
Westlake Village, California

ROBERT N. DURAN, Attorney
Semper Law Group, PC
Los Angeles, California

ROGER EPSTEIN, Attorney
Cades Schutte LLP
Honolulu, Hawaii

EILEEN GALLO, Ph.D
Gallo Consulting
Los Angeles, California

JON GALLO, Attorney
Greenberg Glusker
Los Angeles, California

JOLINE GODFREY, Author
Independent Means Inc.
Santa Barbara, California

ARNOLD H. GOLD, Former
Presiding Probate Judge
Alternative Resolution Centers, LLC
Los Angeles, California

SPENCER GOULD, CFP
BNY Mellon Wealth
Management
Los Angeles, California

JAMES K. HASSON, JR., Attorney
Sutherland, Asbill & Brennan LLP
Atlanta, Georgia

JEROME HESCH, Attorney
Carlton Fields, P.A.
Miami, Florida

BRUCE R. HOPKINS, Attorney
Polsinelli Shughart PC
Kansas City, Missouri

THOMAS K. HYATT, Attorney
SNR Denton USA LLP
Washington, D.C.

MICHAEL J. JONES, CPA
Thompson Jones LLP
Monterey, California

RICHARD KAGAN, CLU
HUB International Insurance
Services Inc.
Los Angeles, California

ANDREW M. KATZENSTEIN,
Attorney
Proskauer Rose LLP
Los Angeles, California

KURT K. KAWAFUCHI,
Director (Fmr.)
State of Hawaii Department
of Taxation
Honolulu, Hawaii

ROBERT J. KELLY, JR., CFP
Creative Edge Planning, LLC
Westlake Village, California

THOMAS H. KENNEY, Attorney
Fiduciary Trust International
Los Angeles, California

AL W. KING, III, Co-Founder
and CEO
South Dakota Trust Company
Sioux Falls, South Dakota

KATE LLOYD, General Counsel &
Vice President, Operations
Hawaii Community Foundation
Honolulu, Hawaii

STEPHANIE LOOMIS-PRICE,
Attorney
Winstead PC
Houston, Texas

TERESA MARX, Attorney
Schiff Hardin LLP
Chicago, Illinois

ADAM MCARTHUR, CFA, ASA
Strategic Valuation Group, LLC
Calabasas, California

EDWARD J. McCAFFERY,
Professor
USC School of Law
California Institute of Technology
Los Angeles, California

SUZANNE ROSS MCDOWELL,
Attorney
Steptoe & Johnson LLP
Washington, D.C.

RICHARD T. MORRISON, Judge
United States Tax Court
Washington, D.C.

RAYMOND K. OKADA, Attorney
Goodsill Anderson Quinn & Stifel
Honolulu, Hawaii

MARCUS S. OWENS, Attorney
Caplin & Drysdale
Washington, D.C.

THOMAS J. PAULOSKI, Attorney
Bernstein Global Wealth
Management
Chicago, Illinois

JEFFREY N. PENNELL, Professor
Emory University School of Law
Atlanta, Georgia

CHARLES "CLARY" A. REDD,
Attorney
Stinson Morrison Hecker LLP
St. Louis, Missouri

CHRISTOPHER REIMER, Attorney
Long Reimer Winegar
Beppler LLP
Jackson, Wyoming

CHARLES P. RETTIG, Attorney
Hochman, Salkin, Rettig, Toscher
& Perez, PC
Beverly Hills, California

JOHN T. ROGERS, JR., Attorney
Seyfarth Shaw LLP
Los Angeles, California

RANDALL W. ROTH, Professor
University of Hawaii at Manoa
Honolulu, Hawaii

CURTIS SAIKI, Attorney
First Hawaiian Bank
Honolulu, Hawaii

DOUGLAS C. SMITH, Attorney
Damon Key Leong Kupchak
Hastert
Honolulu, Hawaii

VICTOR SONG, Chief IRS
Criminal Enforcement
Internal Revenue Service
Washington, D.C.

PETER J. STRAUSS, Attorney
The Strauss Law Firm, LLC
Hilton Head Island,
South Carolina

DAVID TRADER, M.D., Ph.D
Southern California
Psychiatric Group
Los Angeles, California

STEVEN E. TRYTTEN, Attorney
Anglin Flewelling Rasmussen
Campbell & Trytten LLP
Pasadena, California

KARLA D'ALLEVA VALAS,
VP and Managing Director
Fidelity Charitable
Boston, Massachusetts

ROBERT WEINSTOCK, Attorney
Strategic Valuation Group, LLC
Calabasas, California

ALAN T. YOSHITAKE, Attorney
Seyfarth Shaw LLP
Los Angeles, California

BORYANA ZEITZ, Attorney
BNY Mellon Wealth
Management
Los Angeles, California

RANDY L. ZIPSE, Attorney
John Hancock Life Insurance
Boston, Massachusetts

HAWAII TAX INSTITUTE PROGRAM

MONDAY, December 5

6:30 am – 8:00 am

WEALTH TRANSFER PLANNING

Registration and Continental Breakfast

8:00 am

Official Welcome

8:00 am – 9:30 am

Recent Developments and Trends Effecting Estate Planning For Years 2012 and Beyond

Understanding what will happen in 2012 is essential for all wealth transfer advisors. Keeping on top of the general trends and abreast of the most recent developments is more important than ever. Learn how new laws and proposed legislation may affect your clients and their wealth transfer strategies.

JEFFREY N. PENNELL, Professor


9:30 am – 9:45 am

Break

9:45 am – 10:45 am

Planning and Drafting Trusts For Flexibility and Ethical Decision Making

The emphasis of the session will be “planning” as opposed to pure drafting of trusts. This program is intended to be of significant benefit to attorneys, accountants, financial advisors, insurance professionals and trust officers – members of the estate planning team. Learn practical ideas and ethical concepts that will empower all members on the estate planning team.

 Ethics credit.

JOHN F. BERGNER, Attorney

10:45 am – 11:00 am

Questions and Answers

11:00 am – 11:45 am

Tell ME Something I Don't Already Know

About Estate Planning For Retirement Benefits

This session focuses on issues that do not get enough coverage, such as prohibited transfer rules, spousal consent issues, multi-generation planning, how retirement plans figure into planning for high net worth families, UPIA issues and planning to minimize waste of the unified credit.

STEVEN E. TRYTTEN, Attorney

MICHAEL J. JONES, CPA

11:45 am – 12:00 pm

Questions and Answers

12:00 pm – 1:30 pm

Luncheon: Tax Court Updates and Insights

THE HONORABLE RICHARD T. MORRISON, Judge
United States Tax Court

1:30 pm – 2:45 pm

Relatively Painless Ways to Reduce Estate Taxes

Analyze the reasons why even wealthy people sometimes find it unacceptably “painful” to transfer property to an irrevocable trust; and most importantly how the estate planning team can help minimize or perhaps even eliminate such pain.

RANDALL W. ROTH, Professor

2:45 pm – 3:00 pm

Questions and Answers


3:00 pm – 3:30 pm

Break: Ice Cream Social Gathering

3:30 pm – 4:30 pm

Developing Non-Tax Issues For Estate Planners

As the unified credit continues to go up, ethical and non-tax issues are becoming more important to our clients in reaching their planning goals. Gain valuable insights to the various non-tax issues and solutions available to your clients.

 Ethics credit.

JEFFREY N. PENNELL, Professor

HAWAII TAX INSTITUTE PROGRAM

4:30 pm – 4:45 pm

Questions and Answers

4:45 pm – 6:15 pm

Wealth Transfer Planning After 2010 Tax Act – An Industry Outlook For Advisors

An up-to-date analysis of the changes, challenges and planning opportunities that all wealth transfer advisors face after the 2010 Tax Act, and an ever changing domestic and global economy. Learn what we have learned in the past year and what the future planning holds.

CHARLES “CLARY” REDD, Attorney

EDWARD J. MCCAFFERY, Professor

RAYMOND K. OKADA, Attorney

6:15 pm – 6:30 pm

Questions and Answers

TUESDAY, December 6

WEALTH TRANSFER PLANNING

7:00 am – 8:00 am

Continental Breakfast

8:00 am – 9:15 am

Cannon Live Series: Trustee Responsibility to Beneficiaries and Vice Versa

This session will be presented in conjunction with Cannon Financial Institute in a live feed with thousands of our colleagues throughout the country. Analyze why what a client and the estate planner envision when devising the dispositive and administrative terms of a trust instrument, and the succession of trustees, can be vastly different from what actually occurs when the trust goes into effect. This is one reason why estate planners must anticipate events after the trust instrument is executed that could lead to difficulties in the administration of the trust or a court modification.

CHARLES “CLARY” REDD, Attorney

9:15 am – 9:30 am

Questions and Answers

9:30 am – 10:30 am

Defending Your Client’s Wealth Transfer Strategies and the Current Trends

A must session for all wealth transfer advisors. Examine what key areas in various wealth transfer strategies are vulnerable to attack, how to create a successful defense, and how the Tax Court processes the case for resolution.

THE HONORABLE RICHARD T. MORRISON, United States Tax Court

STEPHANIE LOOMIS-PRICE, Attorney

KURT K. KAWAFUCHI, Director (Fmr.), State of Hawaii Department of Taxation

10:30 am – 10:45 am

Questions and Answers

10:45 am – 11:00 am

Break

11:00 am – 11:45 am

IRS Criminal Enforcement Issues For Wealth Transfer Advisors

Learn about what the IRS Criminal Enforcement Unit are looking for in wealth transfer techniques and issues. Understand the risks on audit and investigation and what not to do if your client is being pursued.

CHARLES P. RETTIG, Attorney

VICTOR SONG, Chief IRS Criminal Enforcement

11:45 am – 12:00 pm

Questions and Answers

12:00 pm – 1:30 pm

Luncheon: The Ever-Changing Tax Policies of the Obama Administration and Recent Legislative Proposals

EDWARD J. MCCAFFERY, Professor

1:30 pm – 2:20 pm

TRACKS: Please make your track selection – *Fiduciary, Financial or Tax*

■ **FIDUCIARY TRACK**

Who's The Client? An Ethical Journey Through the Complexity of a Basic Question

An informative overview of the situations that arise which may cloud the answer to the question of who is the client. Learn how to objectively deal with the various situations to minimize or prevent liability to the wealth transfer professional.

ⓔ Ethics credit.

JOHN T. ROGERS, JR., Attorney

■ **FINANCIAL TRACK**

Serving As Your Client's Fiduciary; Objectivity, Risks and Challenges

A discussion of the common sources of fiduciary risks and liability, cases concerning both individual and corporate fiduciaries and an overview of the best policies for managing risk from the legal/ethical and investment perspectives.

ⓔ Ethics credit.

BORYANA ZEITZ, Attorney

SPENCER GOULD, CFP

■ **TAX TRACK**

Planning For Estates and Trusts Under \$5 Million Dollars

With the current estate tax exemptions, most American families will have estates and trusts less than \$5 million. Learn how to design or redesign your wealth transfer strategies.

MICHAEL J. JONES, CPA

2:20 pm – 2:30 pm

Questions and Answers

2:30 pm – 3:20 pm

TRACKS: Please make your track selection – *Fiduciary, Financial or Tax*

■ **FIDUCIARY TRACK**

Asset Rich, Cash Poor: Funding Estate Tax Liabilities With IRC Sections 6166, 6161 and Gragen Notes

An overview of the available options for funding the estate tax liabilities when there are no liquid funds to pay. Explore IRC Sections 6166 and 6161 and relevant cases and understand how Gragen Notes can be utilized in this strategy. STEPHANIE LOOMIS-PRICE, Attorney

■ **FINANCIAL TRACK**

What Every Wealth Transfer Advisor Needs to Know About Captive Insurance Planning

An informative overview of the benefits of creating a captive insurance company. Learn how to create, administer and use a captive insurance company in any wealth transfer strategy.

ⓓ Insurance credit.

PETER J. STRAUSS, Attorney

■ **TAX TRACK**

Advanced Life Insurance Planning Case Studies

This session will focus and build upon a series of case studies to illustrate the dynamic methods used to create liquidity in an illiquid estate.

ⓓ Insurance credit.

THOMAS J. PAULOSKI, Attorney

HAWAII TAX INSTITUTE PROGRAM

3:20 pm – 3:30 pm

Questions and Answers

3:30 pm – 4:20 pm

TRACKS: *Please make your track selection – **Fiduciary, Financial or Tax***

■ FIDUCIARY TRACK

Avoiding and Managing Litigation For All Wealth Transfer Advisors

Learn how to avoid or minimize the exposure to liability for you and your client. Analyze the techniques used to manage the process once in litigation

ⓔ Ethics credit.

JOHN T. ROGERS, Jr., Attorney

■ FINANCIAL TRACK

Deflating Inflation in Your Client's Wealth Transfer Planning Vehicles

With inflation on the horizon, learn how to position your client's investment portfolio to maximize returns and minimize risks.

WILLIAM H. ATHA II, Vice-President

■ TAX TRACK

Update On the Changing FBAR Requirements

Learn the latest on the Foreign Account Reporting Requirements and the impact of the new 2010 HIRE Act changes.

CHARLES P. RETTIG, Attorney

4:20 pm – 4:30 pm

Questions and Answers

4:30 pm – 6:30 pm

SPECIAL WEALTH TRANSFER PLANNING SESSION PLANNING SESSION AND BOOK SIGNING

Every Family Has Good Intentions to Prepare Their Children For the Responsibility of Trusts; Great Families Do It

A fascinating journey of the best practices of great families – this session gives practical policies and practices for developing families who are good stewards of human and financial capital

JOLINE GODFREY, Author

WEDNESDAY, December 7

WEALTH TRANSFER PLANNING | NON-PROFIT PLANNING

7:00 am – 8:00 am

Continental Breakfast

8:00 am – 9:00 am

Financial Skills Trust – Creating a Results Oriented Environment

Learn the six core set of inter-related, primary financial skills fundamental to prudent money management. Where most incentive trusts fail, learn how the financial skills trust can create autonomy and accountability as it steps away from attempting to control the beneficiary's life events or non-financial activities from either the grave or the Trustee's office.

EILEEN GALLO, Ph.D

JON GALLO, Attorney

9:00 am – 9:15 am

Questions and Answers

9:15 am – 10:15 am

Trust Protectors: Duties, Liabilities, and Sample Provisions

Many trusts have not only trustees but "trust protectors" to oversee the trustees. This program considers whether or not protectors are subject to fiduciary standards, what powers and duties can be imposed on the protector, how the protector's acts are subject to trustee review, and tax consequences associated with appointing protectors. Sample language is provided along with a discussion of same.

ANDREW M. KATZENSTEIN, Attorney

10:15 am – 10:30 am	Break
10:30 am – 11:45 am	<p>Current Developments and Trends Affecting Charitable Giving and Non-Profit Organizations</p> <p>A complete overview of the recent developments and trends in planned giving and the use of non-profits. Learn from the country's leading expert how to use charitable giving techniques as a means of minimizing or eliminating transfer taxes and accomplishing the family's planning goals.</p> <p>BRUCE R. HOPKINS, Attorney</p>
11:45 am – 12:00 pm	Questions and Answers
12:00 pm – 1:30 pm	<p>Luncheon: IRS Criminal Enforcement – Where We Have Been and Where Are We Going Next</p> <p>VICTOR SONG, Chief IRS Criminal Enforcement</p>
1:30 pm – 2:20 pm	<p>TRACKS: Please make your track selection – <i>Fiduciary, Financial & Tax</i> or <i>Non-Profit</i></p> <p>■ FIDUCIARY TRACK</p> <p>Designing the 21st Century Irrevocable Trust</p> <p>With all of the changes in the tax law and tax policy, learn how to design a 21st Century Irrevocable Trust. Understand how the recent changes can significantly benefit your client's wealth transfer strategy.</p> <p>AL W. KING, III, President & CEO</p> <p>■ FINANCIAL & TAX TRACK</p> <p>Estate Planning For Negative Basis Real Estate</p> <p>This session will focus on (i) how preferred partnerships can eliminate phantom income tax gain without expiring any future appreciation in the value of real estate for the estate tax purposes; (ii) how partnership income tax principles designed to prevent the assignment of income can be used to keep the phantom gain in the taxable estate and eliminate phantom income tax gain at death; and (iii) how to borrow to eliminate negative basis.</p> <p>JEROME HESCH, Attorney</p> <p>■ NON-PROFIT</p> <p>Current Developments in Supporting Organizations Under the Pension Protection Act</p> <p>A discussion of current guidance affecting supporting organizations including guidelines for obtaining determination letters for functionally integrated Type III supporting organizations; payout requirements for Type III organizations; how to determine whether a grantee is a public charity under section 509(a)(1), (2), or (3); issues relating to changing public charity status or converting to private foundation status; Form 990 filing requirements for supporting organizations; and application of intermediate sanctions excise taxes with respect to transactions with substantial contributors or certain related parties.</p> <p>SUZANNE ROSS MCDOWELL, Attorney</p>
2:20 pm – 2:30 pm	Questions and Answers

HAWAII TAX INSTITUTE PROGRAM

2:30 pm – 3:20 pm

TRACKS: *Please make your track selection – **Fiduciary**, **Financial & Tax** or **Non-Profit***

■ **FIDUCIARY TRACK**

How to Retain Wealth Transfer Planning Experts

This session will focus on the retention of various wealth transfer advisors. Learn about potential conflicts of interest, privileges, privacy of documentation, ethical considerations and methods of communication with your client's wealth transfer planning expert to safeguard the plan from audit.

ⓔ Ethics credit.

ROBERT WEINSTOCK, Attorney

■ **FINANCIAL & TAX TRACK**

Tax Advantages of Donating Hard-to-Value Assets

A moderated panel discussion will focus on practical tips for donating privately held companies, LLC and partnership interests, real estate and other hard-to-value assets.

KARLA D'ALLEVA VALAS, VP and Managing Director

ADAM MCARTHUR, CFA, ASA

KATE LLOYD, General Counsel & Vice President, Operations

■ **NON-PROFIT**

Non-Profit Governance – Challenges and Current Events

This session will examine state attorney general challenges to non-profit boards; compensation issues for officers and directors; optimizing Form 990 disclosures related to governance; pending legislative initiatives affecting non-profit boards; and common board governance dilemmas and how to solve them. Recent case studies will be used to illustrate these issues.

THOMAS K. HYATT, Attorney

3:20 pm – 3:30 pm

Questions and Answers

3:30 pm – 4:00 pm

BREAK: Wine and Cheese Sampling Social Gathering

4:00 pm – 4:50 pm

TRACKS: *Please make your track selection – **Fiduciary**, **Financial & Tax** or **Non-Profit***

■ **FIDUCIARY TRACK**

Understanding Legal Incapacity and How to Detect It

A thought provoking discussion with a highly acclaimed forensic psychiatrist to assist wealth transfer advisors to better understand the different stages and levels of legal incapacity and how to protect the transfer of wealth.

DAVID TRADER, MD, Ph.D

■ **FINANCIAL & TAX TRACK**

Income Tax Exit Strategies For the Closely-Held Business Upon the Retirement of a Principal Owner

A thorough analysis of the various income tax exit strategies for principals of closely-held businesses. Learn how to minimize or defer income taxes and how to structure the deals.

JEROME HESCH, Attorney

■ **NON-PROFIT**

Challenging UBIT Issues

An examination of some of the areas of continuing uncertainty in the application of the unrelated business income tax, including the determination of appropriate expense deductions, the generation and use of net operating losses, and the extent of the reach of the controlled organization provisions.

JAMES K. HASSON, JR, Attorney

4:50 pm – 5:00 pm

Questions and Answers

5:00 pm – 5:50 pm

TRACKS: *Please make your track selection – **Fiduciary**, **Financial & Tax** or **Non-Profit***

■ **FIDUCIARY TRACK**

Update on the Changes and Trends in Hawaii’s New Laws on Asset Protection Trusts

An update and discussion of the changes and recent developments and trends in Hawaii’s new legislation on Asset Protection Trusts and how it differs from other states. Learn how they can be used as part of a wealth transfer strategy.

CURTIS SAIKI, Attorney

ROGER EPSTEIN, Attorney

THOMAS H. KENNEY, Attorney

■ **FINANCIAL & TAX TRACK**

Tax Ramification and Reporting Requirements For US Taxpayers Holding an Interest in a Foreign Corporation

Analyze how to avoid the potential pitfalls for U.S. Taxpayer clients who own an interest in a foreign corporation. Learn how to protect your clients by properly planning and/or reporting their interests and gain a greater understanding on how this area can be easily and often overlooked.

ROBERT N. DURAN, Attorney

■ **NON-PROFIT**

IRS Audit Activity and Issues for Nonprofits – Is Your Group a Target?

This session will analyze the issues that the IRS has identified as key focus points for its audits of tax-exempt organizations in FY 2012, as well as discuss strategies for dealing with the IRS investigations.

MARCUS S. OWENS, Attorney

5:50 pm – 6:00 pm

Questions and Answers

THURSDAY, December 8

WEALTH TRANSFER PLANNING | LIFE INSURANCE PLANNING

7:00 am – 8:00 am

Continental Breakfast

8:00 am – 9:00 am

Dealing With Nearly Incapacitated Elderly Clients and Their Families

A review of current cases and the hot button issues concerning working with nearly incapacitated elderly clients and their families. Gain valuable insights into how the medical profession determines the different types and stages of capacity or the lack thereof and how the legal profession objectively and ethically evaluates the cases before them.

e Ethics credit.

ARNOLD H. GOLD, Judge (Ret.) Former Presiding Probate Judge

DAVID TRADER, M.D., Ph.D

ALAN T. YOSHITAKE, Attorney

HAWAII TAX INSTITUTE PROGRAM

9:00 am – 9:15 am

Questions and Answers

9:15 am – 10:30 am

All You Wanted to Know About Crummey Notification, but Were Afraid to Ask

A comprehensive review for all wealth transfer advisors of the use of crummey powers in irrevocable trusts and proper crummey notification. Learn about the pitfalls of non-compliance and the best practices in an area that is widely misunderstood.

i Insurance credit.

ANDREW M. KATZENSTEIN, Attorney

10:30 am – 10:45 pm

Break

10:45 am – 11:45 am

Current Trends in Life Insurance Planning and Private Placement Insurance

A walk through the world of life insurance planning with one of the country's leading experts. Keep abreast of the most current trends and learn about the best kept secret in the business – private placement insurance. Understand how private placement insurance can be negotiated to afford your clients huge savings.

i Insurance credit.

JON GALLO, Attorney

RICHARD KAGAN, CLU

11:45 am – 12:00 pm

Questions and Answers

12:00 pm – 1:30 pm

Luncheon: Tax Policy and Recent Developments Affecting Business Locally and Abroad

NEIL ABERCROMBIE, Governor, State of Hawaii

1:30 pm – 2:20 pm

TRACKS: Please make your track selection – **Fiduciary, Financial & Tax** or **Life Insurance**

■ FIDUCIARY TRACK

The Impact of Dodd-Frank Act on Private Trustees: A Guide for Practitioners and Their Clients to Avoid "Investment Advisor" Status

The Dodd-Frank Act has changed the playing field for any individual acting as a trustee, including family members, friends, accountants and attorneys. Learn how any individual who exercises discretionary, decision-making authority over securities is captured by the Investment Advisor Act and may need to register as an investment advisor.

CHRISTOPHER M. REIMER, Attorney

■ FINANCIAL & TAX TRACK

Dealing With the Common Management Issues Arising From Family Limited Partnerships and LLCs

Review the various issues that arise when there is common management in a family limited partnership or LLC. This session will focus on (i) tax issues related to distributions of assets to the partners/members; (ii) allocation issues in terminating the interest of a partner/member; (iii) transfer of interests where the entity debt exceeds a partner/member basis; (iv) contribution of assets after formation of the entity; and (v) problems related to failure to pay a preferred return on a preferred interest.

HARMON A. BROWN, Attorney

TERESA MARX, Attorney

■ LIFE INSURANCE TRACK

Creative Use of Life Insurance, Product Design and Tax Efficient Funding Strategies

Explore various creative uses of life insurance in transferring wealth and protecting assets. Learn about product design issues and how to maximize tax efficiencies in the different funding strategies.

i Insurance credit.

ROBERT J. KELLY, JR., CFP

KYLE DEVRIES, CLU

2:20 pm – 2:30 pm

Questions and Answers

2:30 pm – 3:30 pm

TRACKS: *Please make your track selection – **Fiduciary, Financial & Tax** or **Life Insurance***

■ FIDUCIARY TRACK

Back By Popular Demand – Words of Wisdom; How to Become a Complete Wealth Transfer Advisor

This wrap up session was presented last year and is back by popular demand. This nationally acclaimed speaker will touch upon the many issues addressed throughout the week but will focus on the essentials, ethics consideration and secrets of the wealth transfer advisor's client relationship. Learn from this nationally acclaimed speaker with over 40 years experience in what clients really want and expect from their Wealth Transfer Advisors.

e Ethics credit.

ROY M. ADAMS, Attorney

(Presented Remotely)

■ FINANCIAL & TAX TRACK

Recent Developments and Trends in Hawaii's New Estate Planning Initiatives Including the Hawaii Estate Tax

An update and discussion of recent developments of Hawaii's new wealth planning and tax laws, including the laws relating to the Hawaii estate tax. Learn how to deal with the recent changes.

KURT K. KAWAFUCHI, Director (Fmr.) State of Hawaii Department of Taxation

CURTIS SAIKI, Attorney

DOUGLAS C. SMITH, Attorney

■ LIFE INSURANCE TRACK

Life Insurance Valuations

A fascinating and comprehensive analysis of how life insurance is valued. Learn the behind the scenes techniques and methodologies used to unlock the mystery.

i Insurance credit.

RANDY L. ZIPSE, Attorney

IMPORTANT INFORMATION

REGISTRATION: Register online or by mail.

Web site: www.hitaxinstitute.org

Mail: Hawaii Tax Institute Foundation, P.O. Box 1381, Honolulu, Hawaii 96807

CONTACT INFORMATION:

Phone: (808) 540-3931

E-Mail: info@hitaxinstitute.org

LOCATION: Sheraton Waikiki Resort will be the headquarters for the 48th Annual Hawaii Tax Institute.

HOTEL INFORMATION: Sheraton Waikiki Resort, while available, is offering a special ocean view room rate of \$210 and \$199 city view room, for all Hawaii Tax Institute participants. (866) 716-8109 or www.sheratonwaikiki.com

TRAVEL ACCOMMODATIONS: Carefree Tour and Travel is the official travel agency for the Hawaii Tax Institute and is offering discounted airfare and car rental for all Hawaii Tax Institute participants. Contact person is Gerri Yoshida at gerri.ctt@hawaiiintel.biz; (808) 526-2222 (Ext. 107) – Telephone; and (808) 523-2034 – Facsimile.

HOTEL INFORMATION



Sheraton Waikiki Resort

The Sheraton Waikiki Resort is a modern monument to traditional Hawaiian hospitality. This Oahu hotel is perfect for families seeking Hawaii activities, couples in search of romance, or weary travelers seeking a rejuvenating escape. The Sheraton Waikiki Resort is your gateway to Hawaii's favorite playground, Waikiki Beach.

Located near a dazzling host of attractions and sights – our luxurious Waikiki hotel accommodations offer unrivaled service, in a landmark setting:

- Located on the Waikiki Beach, in Honolulu, Hawaii
- Next to the famous Diamond Head Crater
- Steps away from the International Marketplace, Waikiki Aquarium, Honolulu Zoo, Kapi'olani Park, Beach Walk entertainment, shopping complex, and Royal Hawaiian Shopping Center
- Just 10 miles from Honolulu Airport (HNL)

CONTINUING EDUCATION

CONTINUING EDUCATION CREDITS: Up to 40 hours of continuing education Group-Live credits are available to attendees of the 4-day session. Program Level: Overview – Prerequisites: None – Advanced Preparation: None. This conference meets the educational requirements of many national/state organizations and agencies with mandatory CLE/CPE requirements.

The Hawaii Tax Institute Foundation and Chaminade University of Honolulu are registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org

ACCOUNTANTS (CPE): This program meets the guidelines for Continuing Professional Education set by the Hawaii State Board of Accountancy, State of Hawaii Insurance Division, and the National Association of State Boards of Accountancy (NASBA).

CERTIFIED FINANCIAL AND TRUST ADVISORS (CTFA): We have applied for credit with the Institute of Certified Bankers - ICB qualified credits and approval are pending

INSURANCE AGENTS: This program meets the guidelines for continuing education set by the State of Hawaii, Dept. of Consumer Affairs – Insurance Division, and the California Dept. of Insurance. The courses have been submitted and are pending approval. These courses can be applied for in other applicable states.

i indicates insurance credit available.

FINANCIAL PLANNERS (CFP): The program meets the guidelines for CFP credits and the Hawaii Tax Institute Foundation and Chaminade University are registered CFP Board CE Sponsors.

LAWYERS (MCLE, VCLE, MCPE): The Hawaii Tax Institute Foundation and Chaminade University of Honolulu are State of California approved MCLE providers, and certify that this activity qualifies for MCLE credit. Continuing legal education credit has been applied for in every state that has mandatory continuing legal education requirements and has been routinely granted for past institutes, including Hawaii's new VCLE and MCPE requirements.

e indicates ethics credit available.

LEGAL SPECIALIZATION: The Hawaii Tax Institute Foundation and Chaminade University of Honolulu, a State Bar of California approved Legal Specialization provider, certify that this activity has been approved for Legal Specialization credit in Taxation law, and Legal Specialization credit in Estate Planning, Trust and Probate law and Legal Specialization of Current Developments

We urge you to contact our office with questions regarding the availability of credit for a specific jurisdiction or profession, as we cannot guarantee that credit will be available in all cases.

REGISTRATION INFORMATION

Qualification for Admission

The Institute serves as a forum for members of all professions dealing with tax, fiduciary, insurance, non-profit and financial related issues. The program is designed for attorneys, accountants, bank and trust administrators, financial planners, non-profit administrators and insurance agents. Anyone who feels that the Institute will be of benefit is invited to register.

Location

Sheraton Waikiki Resort will be the headquarters for the 48th Annual Hawaii Tax Institute.

Registration

Registration fees for the 2011 Hawaii Tax Institute are noted in this program. Early registration or indication of intent to register is encouraged. We offer government and student discounts. Registration fees for formal sessions should be addressed to P. O. Box 1381, Honolulu, Hawaii 96807.

Hotel Information

Sheraton Waikiki Resort, while available, is offering a special ocean view room rate of \$210 and \$199 city view room, for all Hawaii Tax Institute participants. (866) 716-8109 or www.sheratonwaikiki.com

Parking

All day self-parking will cost \$8.00 per day with validation. All day valet parking will cost \$13.00 per day with validation. Validation may be obtained in the registration area of the conference.

Outlines

Outlines detailing the text of each speaker's plenary presentation will be distributed to all applicable registrants prior to the opening session Monday. Outlines for each track session will be distributed to registrants on the applicable day. If there is a surplus, outlines may be purchased after the Institute.

Tickets Transferable

Admission cards will be transferable, thus permitting various members of one firm to be in attendance for discussion of topics relating to their individual interests. Only one person per ticket may be in attendance at a given time.

Tickets and Materials

All tickets and materials will be located at the Registration Desk.

Cancellations/Refunds

Refunds will be made, provided written requests are post-marked by October 31, 2011, less \$125 administrative fee. All refunds will be processed following the Institute.

NO REQUESTS FOR REFUNDS WILL BE ACCEPTED AFTER OCTOBER 31, 2011.

Tax Deductions

All expenses (including registration fees, travel and lodging, except meals) incurred to maintain and improve professional skills are tax deductible. (Cost of meals may not be fully deductible under the provision of the 1986 Tax Reform Act) (Treas. Reg. 1-163.5; Coughlin vs. Commissioner, 203 F.2d 307).

For more information regarding administrative policies, please contact our office at (808) 540-3931.

REGISTRATION FORM

48TH ANNUAL HAWAII TAX INSTITUTE

DECEMBER 5 - 8, 2011
SHERATON WAIKIKI RESORT
HONOLULU, HAWAII

REGISTER ONLINE OR BY MAIL:

Web site: www.hitaxinstitute.org

Mail: Hawaii Tax Institute Foundation
P.O. Box 1381
Honolulu, Hawaii 96807
(808) 540-3931

Name (Mr./Ms.): _____
Photocopy form for additional registrants

Firm/Company: _____

E-mail: _____

Telephone: _____

Firm Address: _____

City: _____ State: _____ Zip: _____

- Register me for the session(s) indicated. Enclosed is a check payable to:
"Hawaii Tax Institute Foundation" for the appropriate amount.
- First-time Registrant
- I am unable to attend this year, but keep my name on your mailing list.
- No, I am not interested in the Hawaii Tax Institute. Please remove my name from your mailing list.

REGISTER ONLINE: www.hitaxinstitute.org

By 10/31/11 After 10/31/11

- | | | | |
|--|----------------------------------|------------------------------------|-----------------------------------|
| <input type="checkbox"/> 4-Day Pass | \$825.00 | \$975.00 | |
| <input type="checkbox"/> Single Day Pass | \$295.00 | \$425.00 | |
| <input type="checkbox"/> Monday | <input type="checkbox"/> Tuesday | <input type="checkbox"/> Wednesday | <input type="checkbox"/> Thursday |

Registration fees include one set of materials, daily lunches, ice cream social (Monday), evening reception (Tuesday), wine and cheese event (Wednesday) and daily continental breakfasts.

Registration fees will increase to the indicated rate if postmarked or online registration is completed after **October 31, 2011**.

CANCELLATION FEE: \$125 NO REFUNDS after October 31, 2011

CONTINUING EDUCATION CREDIT:

Seeking Continuing Education? Yes No

PRIMARY PROFESSION (please choose at least one):

- Attorney State(s) _____, _____
- Accountant State(s) _____, _____
- Insurance State(s) _____, _____
- CFP Trust Officer Educator Government Investment Advisor Paralegal
- Other _____



The Hawaii Tax Institute is going green. Please send an email to info@hitaxinstitute.org to receive announcements and future brochures by email.

The Hawaii Tax Institute Foundation and Chaminade University of Honolulu do NOT discriminate against any person on the basis of race, color, sex, sexual orientation, religion, age, national or ethnic origin, political beliefs, veteran status, or physical disability in admission to, access to, or employment in its programs and activities.



WIN A FREE REGISTRATION!
(First time registrants only)
visit WWW.HITAXINSTITUTE.ORG for details

48th Annual

HAWAII TAX INSTITUTE

DECEMBER 5 - 8, 2011

SPEAKERS FROM ACROSS THE COUNTRY

Roy M. Adams, Attorney

Roy M. Adams & Associates PLLC
New York, New York

The Honorable Richard T. Morrison, Judge

United States Tax Court
Washington, D.C.

Edward J. McCaffery, Professor

University of Southern California
Los Angeles, California

Neil Abercrombie, Governor

State of Hawaii
Honolulu, Hawaii

Harmon A. Brown, Attorney

Schiff Hardin, LLP
Chicago, Illinois

Joline Godfrey, Author

Independent Means Inc.
Santa Barbara, California

Peter Strauss, Attorney

The Strauss Law Firm, LLC
Hilton Head Island, South Carolina

Bruce R. Hopkins, Attorney

Polsinelli Shughart
Kansas City, Missouri

Jon Gallo, Attorney

Greenberg Glusker
Los Angeles, California

Jeffrey N. Pennell, Professor

Emory University School of Law
Atlanta, Georgia

John F. Bergner, Attorney

Winstead PC
Dallas, Texas

Charles A. Redd, Attorney

Stinson Morrison Hecker LLP
St. Louis, Missouri

Marcus S. Owens, Attorney

Caplin & Drysdale
Washington, D.C.

Jerome Hesch, Attorney

Carlton Fields, P.A.
Miami, Florida

HAWAII TAX INSTITUTE FOUNDATION

P.O. Box 1381

Honolulu, Hawaii 96807

NON-PROFIT ORG.

U.S. POSTAGE

PAID

HONOLULU, HAWAII

PERMIT NO. 1690



WIN A FREE REGISTRATION!

(First time registrants only)

visit WWW.HITAXINSTITUTE.ORG for details

A Special Invitation To:

TAKE ADVANTAGE OF THE EARLY REGISTRATION FEES.
REGISTER BY OCTOBER 31, 2011, AND SAVE!
VISIT OUR WEB SITE: WWW.HITAXINSTITUTE.ORG



MIX
Paper from
responsible sources
FSC® C014242