



Charles E. Wern

Shareholder

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Summary

Charles specializes in the areas of tax planning and business transactions.

Charles has extensive tax planning expertise with respect to partnerships, “C” and “S” corporations, and individual income tax rules. He has served as tax counsel to clients, other attorneys and accountants in connection with formations, operations, mergers/reorganizations, incentive compensation matters, private equity transactions, joint ventures/strategic alliances, sales/purchases of assets/equity, and exit plans (including distributions, redemptions and liquidation transactions) with respect to public companies and various types of private business entities in a wide array of industries (including oil and gas).

As a consequence of his combined tax and transactions practice, Charles has developed valuable expertise assisting with the structuring of transactions to guide clients to achieving the best outcomes from a combined economic, legal and tax perspective, as well as generally assisting clients with creative solutions to complicated business problems. In addition, as a result of this combined expertise, Charles has accumulated extensive experience with the drafting of LLC operating agreements and limited partnership agreements to effectuate new ventures/start-ups, private equity/ investment transactions, real estate investments and other joint venture transactions, particularly with respect to structuring of tax allocations/cash distribution waterfall provisions and the issuance of incentive profits/carry interests. Charles also has experience with specialized tax issues concerning amortization of 197 intangibles, partnership 754 adjustments/ basis step-up analysis, 409A deferred compensation, debt restructurings, tax indemnities, cancellation of debt/COD income planning, distress debt acquisitions and other transactional tax issues in connection with real estate, mergers/acquisitions and other business transactions.

Charles also has experience with international transactions and foreign tax planning matters, including inbound and outbound transactions, FIRPTA, foreign joint ventures, foreign tax credit maximization planning, controlled foreign corporation rules and income tax treaty planning (including permanent establishment issues and back-to-back license arrangements).

Charles has advised clients in a broad range of business transactions, including:

- Start-up and choice of entity planning;
- M&A transactions (including tax-free mergers, reorganizations and spin-offs) and tax review of proxy statements, registration statements, offering memorandum, etc.;
- Private equity placements and investments;
- Sales/purchases of business assets and equity (including distressed businesses);

PRACTICE AREAS:

Business & Corporate
International Business Transactions
Mergers and Acquisitions
Natural Resources
Real Estate
Sports and Entertainment
Taxation
Trusts & Estates

EDUCATION:

LLM Taxation, New York University
School of Law, 2000
Juris Doctor, *magna cum laude*
, Capital University Law School, 1999

- Law Review Staff Member
- Elected to Order of the Curia
and in top 5% of class

Legal Study Abroad, Oxford University,
St. Anne's College, 1998
Bachelors of Arts, John Carroll
University, 1995

LICENSED IN:

Colorado (2016), New York (2002),
Ohio (1999)

- Real estate purchase and sale transactions (including 1031 tax-free exchanges);
- Joint ventures and strategic alliances;
- Public and private company executive compensation/incentive equity planning;
- Commercial lending/financing transactions;
- Commercial/shopping center leasing;
- Business succession, asset protection and estate planning; and
- General corporate matters and contracts.

Prior to joining Jones & Keller, Charles was a partner with Nadler, Nadler & Burdman Co. LPA, a boutique northeast Ohio law firm that represents high net worth individuals and business owners, where he served as effective general counsel to individuals and private and public company clients, assisting them in structuring and effectuating transactions and problem solving complicated business matters.

Prior to Nadler, Nadler & Burdman, Charles was an associate in the corporate and tax department of the international law firm Reed Smith LLP in New York, NY, where his practice focused primarily on domestic and foreign tax planning and assisting the corporate department in structuring and effectuating M&A transactions, real estate investments and foreign joint ventures.

Charles is a graduate of the New York University School of Law Graduate Tax Program where he received his LLM in Taxation. Charles is also a regular lecturer on LLC and tax planning matters.

Significant Representations

- Advised family office/private equity fund in connection with structuring and implementation of multiple forward and reverse 1031 tax-free exchanges of apartment complexes with an aggregate value over \$500 million
- Advised public company in the oil and gas sector on implementation of Up?C partnership structure with an aggregate value over \$800 million to permit target private equity firm IPO alternative
- Advised family office in connection with structuring and implementation of a multi-fund mineral interest acquisition joint venture deploying equity and convertible debt financing arrangements with an aggregate value over \$50 million
- Advised public and private companies on tax structuring of incentive equity compensation plans for management, executives and directors
- Advised U.S. public company in oil and gas industry on cross-border acquisition of Canadian company, including FIRPTA analysis
- Advised private company on tax structuring of stock acquisition with 336(e) tax election and seller roll-over equity
- Advised family in connection with sale of manufacturing business for over \$95 million in cash and roll-over equity; structuring of pre-closing "F" reorganization of S corporation seller entity
- Advised shopping center group looking to transition out of active management concerning implementation of joint venture with drop-down of multiple developed and undeveloped properties valued at over \$25 million to new LLC for tiered preferred returns, with active management group receipt of incentive profits/carry interest

- Advised public company on negotiation and closing of purchase of 144-room hotel and sports center complex
- Advised multiple auto dealerships with respect to purchases of new franchises and dealership real estate/equipment; generally advise dealerships with respect to leases, bank financing matters, dealer sale/service agreements, dealer franchise laws, settlement/release agreements, tax planning and other general counsel matters
- Served as mediator in divorce proceedings to guide parties and divorce counsel through complex business and tax issues relating to division of multiple manufacturing businesses worth over \$100 million plus various oil and gas rights and investment real estate assets
- Advised family-owned plastics injection molding business on purchase of land for expansion of manufacturing facilities, with analysis of mineral surface rights issues
- Advised family-owned manufacturing businesses on implementation of succession plans and voting trusts
- Advised family in connection with contentious exit from oil and gas interests and injection well investments
- Advised private investor on sale and 1031 tax-free exchange of an investment grade property for multiple triple-net replacement properties and subsequent sale and 1031 exchange one year later of one of the replacement properties
- Advised public company in connection with private placement offering of investment capital for start-up injection well business
- Represented family owned manufacturing business on consignment agreement with major customer for supply of inventory to Texas warehouse facility for cross-border shipments
- Advised manufacturing business on sale of assets of subsidiary while retaining proprietary lines and customer base, combined with post-closing transition services agreement, seller financing/ security components and purchaser's bank subordination arrangements

Admitted to Practice Before

Colorado (2016), New York (2002), Ohio (1999)

Speeches and Publications

- "Why LLCs, Fully Using Tax Advantages, and Advantageous Uses of LLCs", National Business Institute (2014)
- "LLC Workshop - Entity Taxation and Compare and Contrast", National Business Institute (2012)
- "LLC Taxation: An Introduction to Limited Liability Companies", Association of Enrolled Agents of Northeast Ohio (2009)
- "Formation and Operation of LLCs and Impact of State Law on LLC's", National Business Institute (2008)
- "The Tax Impact of Real Estate Debt Workouts and Restructurings", Association of Enrolled Agents of Northeast Ohio (2008)
- "1031 Tax-Free Exchanges and Real Estate Tax Trends", Realtors Association (2006)
- "Asset Protection Planning (Portfolio 810)", Bloomberg BNA Portfolios, assisted annual update (2001)

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- “The Stapled REIT on Ice: Congress’ 1998 Freeze of the Grandfather Exception for Stapled REITs”, Capital University Law School published law review article (2000)

Honors / Distinctions

Mahoning Valley Professionals "40 under 40" award

Community Activity & Personal Interests

Charles has been involved in a variety of charitable organizations during his career, including:

- Member of Board of Directors, Loan Review Committee, Executive Committee, and Strategic Planning/Venture Capital Sub-Committee of the Mahoning Valley Economic Development Corporation, a non-profit lender and economic development corporation
- Board Member of the Warren Commerce Park, a non-profit industrial park
- Board Member and prior chapter Chairman of the American Red Cross of the Mahoning Valley, where he orchestrated the reorganization and merger of two separate county Red Cross chapters
- Member of the Garden Club Angels, a venture capital/angel investor forum sponsored by the Youngstown State University and the Youngstown Business Incubator

During his free time, Charles enjoys spending time with his wife and their three boys, especially skiing and other outdoor recreation activities. In addition to skiing with his family, Charles enjoys mountain biking, hiking, camping, racquet sports (particularly tennis but also racquet ball, squash, paddle tennis and table tennis), golf and "fire-side" chats about history and philosophy.