

The use of business structures designed to take advantage of flexible “pass-through” tax benefits afforded to certain entities under federal and state tax laws has increased significantly in recent years. This has resulted in the need for transactional attorneys capable of addressing the unique organizational and tax issues faced by partnerships, limited liability companies, joint ventures, and their partners and members.

The Calfee attorneys who practice in this group are experienced in all phases of the formation, capitalization and fundraising, taxation, and governance of partnerships, limited liability companies and joint ventures. From family partnerships, to complex domestic and international business joint ventures, to investment funds involved in leveraged buyouts, venture mezzanine lending, real estate or hedge fund investment transactions, our attorneys have the experience and background to assist our clients in creating and managing business structures that most effectively meet their needs.

### **What are the advantages of using a Limited liability company (LLC)?**

An LLC provides the best of both the corporate world and the partnership world. Like corporation shareholders, the owners of an LLC (who are referred to as “members”) are insulated from liabilities for the debts and of the business. While most corporations are subject to a double layer of taxation (one at the entity level and a second at the shareholder level), LLCs generally are treated as partnerships for tax purposes, resulting in a single layer of taxation (at the member level). This combination of limited liability and “pass-through” tax treatment, together with the flexibility afforded LLCs to tailor management and economic sharing arrangements to fit their business needs, makes the LLC the preferred choice of entities for many businesses.

### **Representative Projects**

- > Represented promoters of private equity/venture capital funds that raised in excess of \$500 million in investment capital during the past three years.
- > Designed and documented joint venture arrangements between major national real estate investment fund and its management advisors, providing parties with desired tax benefits and decision-making flexibility.
- > Formed numerous “fund-of-funds” entities for investment advisory firms, permitting the clients of such firms to invest in investment funds and ventures not otherwise accessible to them.

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Partnerships, LLCs and Joint Ventures continued

- > Represented Cleveland Tomorrow in connection with the formation and capitalization of three development partnerships that have provided funding for significant Cleveland development projects, including Gateway, the Rock & Roll Hall of Fame, Browns Stadium, and over 25 downtown and neighborhood retail and housing projects.
- > Counseled clients regarding the formation of numerous family partnerships and LLCs, including handling of tax issues and documentation requirements.
- > Structured and documented complex partnership distribution and contribution program to enable partners of real estate partnership to take advantage of tax-deferred exchange provisions.