

SANDWICHING SORENSEN INTO MCCORD AND ITS PROGENY: A REVIEW OF THE IRS T&E TARGET LIST



**HOUSTON BUSINESS & ESTATE PLANNING COUNCIL
RIVER OAKS COUNTRY CLUB
APRIL 20, 2023**

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I. OVERVIEW

1. Generally

- Valuation
 - § S corporation (tax affecting)
 - § Unrealized (built-in) capital gains
 - § Chapter 14 – Special Valuation Rules (Alternate Reality Rules)
 - § 2701 – slice versus layer; applicable retained interest (think voting/non-voting; Class A/Class B)
 - § 2702 – interest in trust must be qualified
 - § 2703 – ignore governing agreement provisions
 - § 2704 – a) lapse
b) restrictions on liquidation
- Undervaluation Penalties

*Gross, Jackson, Jones, Kress
Dunn, Jameson, Jelke, Jensen, Richmond
Karmazin
Woelbing
Cahill, Church, Elkins, Fisher, Holman
Kerr, Knight, Smith*

2. Estate Tax Cases

- § 2036
- Marital Deduction Mismatch
- Graegin Loans

See, e.g., *Abraham*, *Beyer*, *Bigelow*, *Bischoff*, *Black*, *Boykin*, *Byrum*, *Cahill*, *Church*, *Cohen*, *Disbrow*, *Erickson*, *Gore*, *Harper*, *Harrison*, *Hillgren*, *Holliday*, *Hurford*, *Hutchens*, *Jorgensen*, *Keller*, *Kelly*, *Kimbell*, *King*, *Knepp*, *Korby*, *Liljestrand*, *Lockett*, *Malkin*, *McNichols*, *Michelson*, *Miller*, *Mirowski*, *Moore*, *Morrissey*, *Murphy*, *O'Malley*, *Powell*, *Purdue*, *Rector*, *Reichardt*, *Reinecke*, *Riese*, *Rosen*, *Schauerhamer*, *Schutt*, *Shurtz*, *Stewart*, *[Allene] Stone*, *[Joanne] Stone*, *Strangi*, *Streightoff*, *Thompson*, *Turner*, *Wheeler*, *Woelbing*.

See, e.g., *Estate of Black v. Comm'r*, 133 T.C. 15 (2009), *supp. by* 103 T.C.M. (CCH) 1302 (2012); *Estate of Turner v. Comm'r*, 102 T.C.M (CCH) 214 (2011), *supp. by* 138 T.C. 14 (2012); *Estate of Shurtz v. Comm'r*, 99 T.C.M. (CCH) 1096 (2010).

See, e.g., *Estate of Graegin v. Comm'r*, 56 T.C.M. (CCH) 387 (1988); *Estate of McKee v. Comm'r*, 72 T.C.M. (CCH) 324 (1996); *Estate of Thompson v. Comm'r*, 76 T.C.M. (CCH) 426 (1998); *Estate of Lasarzig v. Comm'r*, 78 T.C.M. (CCH) 448 (1999); *Estate of Gilman v. Comm'r*, 88 T.C.M. (CCH) 627 (2004); *Klein v. Hughes*, 133 Cal. App. 4th 121 (2005); *Estate of Murphy v. United States*, 104 A.F.T.R.2d 7703 (W.D. Ark. 2009); *Keller v. United States*, 104 A.F.T.R.2d 6015 (S.D. Tex 2009); *Estate of Black v. Comm'r*, 133 T.C. 15 (2009); *Estate of Stick v. Comm'r*, 100 T.C.M. (CCH) 194 (2010); *Estate of Koons v. Comm'r*, 105 T.C.M. (CCH) 1567 (2013).

3. Gift Tax Cases

- Indirect gifts
- Annual exclusion gifts
- Installment sales/Promissory notes
 - FMV of interest sold
 - FMV of consideration/note received
- GRATs
- BDITs/BDOTs
- Adequate Disclosure
- Formula clauses/Defined value transactions

Linton, Heckerman, Shepherd, Senda

Fisher, Hack'l, Price, Wandry, Purdue, Sommers, Turner, Wimmer

Beneficiary Defective [Investment, Inheritance, Owner] Trusts under § 678(a)

McCord, Petter, Christiansen, Hendrix, Wandry, Nelson

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II. FORMULA CLAUSES

1. What types of Formula Clauses exist?

- Value Adjustment Clauses
- Price Adjustment Clauses
- Defined Value Clauses
 - Traditional Defined Value Clause
 - Defined Allocation Clause
 - Defined Value Disclaimer
 - Fractional Formula Transfer Clause
 - Fixed Value Clauses
 - Fixed Purchase Price Clauses

2. What is a Value Adjustment Clause?

- Clause transferring interest, but size of interest transferred is reduced to meet specified amount if it is finally determined for transfer tax purposes that FMV of transferred asset exceeded specified dollar amount
- Precedential case: *Procter* (4th Cir.)

Procter v. Comm'r, 142 F.2d 824 (4th Cir. 1944).

3. What is a Price Adjustment Clause?

- Clause transferring interest, but amount of consideration is increased to meet specified amount if it is finally determined for transfer tax purposes that FMV of transferred asset exceeded specified dollar amount
 - IRS position is sometimes that requirement of additional consideration is value adjustment clause as well, however King case approves this method
- Precedential case: *King* (10th Cir.)

United States v. King, 545 F.2d 700 (10th Cir. 1976).

4. What is a Defined Value Clause?

- Clause specifying value of interest transferred, rather than percentage, often with balance passing to charity
- Types
 - Traditional Defined Value Clause (*McCord, Hendrix*)
 - Defined Allocation Clause (*Petter*)
 - Defined Value Disclaimer (*Christiansen*)
 - Fractional Formula Transfer Clause (*Carlyn McCaffrey*)
 - Fixed Value Clauses (*Wandry, Sorensen*)
 - Fixed Purchase Price Clauses (*Steve Gorin*)



III. EXPLORING DEFINED VALUE CLAUSES

1. Traditional Defined Value Clause

- I give to my sons the right to receive that portion of my 82% limited partnership interest that has a fair market value of \$6.9 million. Any portion of my 82% interest that has a value in excess of \$6.9 million, I give to Charity X.
 - Effect: Valuation governs value. Charity has right/obligation to argue for its fair share
 - Confirmation agreement after to document amount received by each; donors should NOT participate
 - Precedential cases: *McCord v. Comm’r* (5th Cir.)
Hendrix v. Comm’r

McCord v. Comm’r, 120 T.C. 358 (2003), *rev’d*, 461 F.3d 614 (5th Cir. 2006);
Hendrix v. Comm’r, 101 T.C.M. (CCH) 1642 (2011).

2. Defined Allocation Clause

- I transfer by gift 940 units to the transferees. I give that portion of my units to Trusts equal to the amount that can pass free of gift tax; the remainder of my 940 units I give to Charity Y.
- I sell and give 8,450 units to the transferees. I sell that portion equal to \$4 million (as finally determined for federal transfer tax purposes) to the Trusts; the remainder of my 8,450 units I give to Charity Y.
 - Effect: Formula allocation does not violate public policy; reallocation if FMV is later increased enforces Charity’s rights to receive pre-defined number of units – difference between specified number of units and number of units worth \$X.
 - Precedential case: *Petter v. Comm’r* (aff’d, 9th Cir.)

Petter v. Comm’r, 98 T.C.M. (CCH) 534 (2009), *aff’d*, 653 F.3d 1012 (9th Cir. 2011).

3. Defined Value Disclaimer

WHERE WILL PROVIDED THAT ANY DISCLAIMED ASSETS WOULD PASS 75% TO CLAT AND 25% TO FOUNDATION,

- I disclaim that fractional portion of the Gift, the nominator of which is the fair market value of the gift, less \$6 million, and the denominator of which is the fair market value of the Gift, as finally determined for federal estate tax purposes.
 - Effect: Addition to value causes additional interests to pass to charities
 - Precedential case: *Christiansen v. Comm’r* (8th Cir.)

Estate of Christiansen v. Comm’r, 130 T.C. 1 (2008), *aff’d*, 586 F.3d 1061 (8th Cir. 2009).

4. Fractional Formula Transfer Clause

- I transfer to Trust a fractional share of Property X. The numerator of the fraction is (a) \$100,000 plus (b) 1% of the excess of such property as finally determined for federal gift tax purposes over \$100,000. The denominator of the fraction is the value of the property.
 - Effect: Limits the amount transferred, with a provision for a small gift if the IRS asserts higher values for gift tax purposes
 - Precedential case: Untested to date (McCaffrey approach)

5. Fixed Value Clause

- I transfer to Son a sufficient number of my member units in LLC such that fair market value of such units for federal gift tax purposes shall be \$X
 - Effect: Limits the asset transferred to specified value
 - Precedential case: *Wandry v. Comm’r* (Tax Court)
 - Appellate venue: 10th Circuit (*King*)
 - Recently settled (before trial): *Sorensen v. Comm’r*

Wandry v. Comm’r, 103 T.C.M. (CCH) 1472 (2012), *nonacq.*, 2012 WL 5473819 (IRS ACQ Nov. 13, 2012)

United States v. King, 545 F.2d 700 (10th Cir. 1976)

Sorensen v. Comm’r, Docket Nos. 24797-18, 24798-18, 20284-19, 20285-19

6. Fixed Value Clause - *Sorensen* Background

- 1994: \$100 in the till
- 2021: \$1.01B (5x2M!)
- 2014
 - 12/10 decision to make gifts
 - *Wandry* style, as of 12/31
 - Appraised as of 12/31 @\$532.79 = 9,384.56 shares
 - Reported gifts of 9,385 shares, with explanation
- 2015
 - 03/31 Sale, not reported on 709
 - 5,365 shares @\$537.29 = \$2.882M

7. Fixed Value Clause - *Sorensen* Audit

- Audit
 - 2014 – IRS value of \$2,734.80 (5x)
 - Deficiency of \$8.1M, plus penalties of \$3.3M
 - 2015 – IRS value of ≈\$2,900 (5.5x)
 - confusion re K-1s shares, because 03/3/1 sale not on 709s
 - Deficiency of \$2.88M, plus penalties of \$1.2M
 - Total deficiency, plus interest, per Brother: \$15.5M
 - Meanwhile, extensive corporate restructuring and THEN:
 - 2021 sale (\$12K per share)
 - 7 years, 24x ↑ in value

8. Fixed Value Clause - *Sorensen* Audit

- Valuation Issues raised by IRS
 - Tax effecting
 - Potential impact of *Cecil*
 - Multiples/Discount Rates
 - Penalties
 - *Wandry*

Cecil v. Comm'r, TC Memo 2023-24

Wandry v. Comm'r, 103 T.C.M. (CCH) 1472 (2012), *nonacq.*, 2012 WL 5473819 (IRS ACQ Nov. 13, 2012)

9. Fixed Value Clause - *Sorensen* Suggestions?

- Areas of IRS Concern
 - Appraiser's valuation of 1 share
 - Rounding share #s up on 2014 Form 709 (\$5M vs. \$5,000,200)
 - Gift document (Stock Power) not signed by recipient or Company
 - Decision not to report 2015 sale on 2015 Form 709
 - 2015 Use of 90-day-old appraisal
 - Inability to produce all communications with Appraiser
- Planning Suggestions?
 - Gift document – signed by all, acknowledged by Company?
 - Distributions – subject to final determination?
 - Company sale – acknowledge potential need to repay
 - Sometimes, it's worth it to give up Wandry!
 - But consider GST implications

10. Fixed Value Clause - *Sorensen* Settlement

- 2014
 - \$1640 per share, no penalties
 - Conceded Wandry
- 2015
 - \$1722 per share, 10% penalty
- Total Paid by each Brother: approximately \$10M
- Effectively transferred \$110M in 2021 dollars for \$6M in tax, plus interest
 - Effective tax rate of 5% (or 10% if exemption included)

11. Fixed Purchase Price Clause

Clause specifying purchase price is equal to fair market value as finally determined for federal transfer tax purposes

- Until finally determined, taxpayer relies in good faith on appraised/reported value
- I sell to Son member units in LLC with Fair Market Value of X, as finally determined for transfer tax purposes. Until Fair Market Value is finally determined, all parties agree to rely in good faith on fair market value determined by ABC Appraiser
 - Effect: Fixes purchase price at Fair Market Value, as finally determined
 - Precedential case: Untested to date (Gorin approach)

12. Treasury's 2003 Green Book

- “Valuation of partial/fractional interests in certain assets transferred intrafamily”
- Impact?

<https://home.treasury.gov/policy-issues/tax-policy/revenue-proposals>

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RELEVANT CITES

Relevant Cites

<u>Topic(s)</u>	<u>Citation</u>
2036:	<i>Estate of Abraham v. Comm’r</i> , 87 T.C.M. (CCH) 975 (2004), <i>aff’d</i> , 408 F.3d 26 (1 st Cir. 2005)
Valuation:	<i>Adams v. United States</i> , 83 A.F.T.R.2d 1887 (N.D. Tex. Mar. 17, 1999), <i>rev’d</i> , 218 F.3d 383 (5 th Cir. 2000)
Valuation:	<i>Adams v. United States</i> , 218 F.3d 383 (5 th Cir. 2000), <i>entered by</i> 88 A.F.T.R.2d 6057 (N.D. Tex. 2001)
Burden of Proof:	<i>Estate of Adell v. Comm’r</i> , 108 T.C.M. (CCH) 107 (2014)
Aggregation:	<i>Estate of Adler v. Comm’r</i> , 101 T.C.M. (CCH) 1118 (2011)
Work Product Doctrine:	<i>United States v. Adlman</i> , 68 F.3d 1495 (2 ^d Cir. 1995)
Aggregation:	<i>Ahmanson Foundation v. United States</i> , 674 F.2d 761 (9 th Cir. 1981)
Valuation:	<i>Estate of Amlie v. Comm’r</i> , 91 T.C.M. (CCH) 1017 (2006)
Post-Event Facts:	<i>Estate of Andrews v. United States</i> , 850 F. Supp. 1279 (E.D. Va. 1994)
Valuation:	<i>Astleford v. Comm’r</i> , 95 T.C.M. (CCH) 1497 (2008)
Valuation:	<i>Estate of Baird v. Comm’r</i> , 82 T.C.M. (CCH) 666 (2001), <i>rev’d and remanded</i> , 416 F.3d 442 (5 th Cir. 2005)
2036:	<i>Estate of Beyer v. Comm’r</i> , 112 T.C.M. (CCH) 356 (2016)
Indirect Gift:	<i>Estate of Bies v. Comm’r</i> , 80 T.C.M. (CCH) 628 (2000)
2036:	<i>Estate of Bigelow v. Comm’r</i> , 89 T.C.M. (CCH) 954 (2005), <i>aff’d</i> , 503 F.3d 955 (9 th Cir. 2007)
2036:	<i>Estate of Bischoff v. Comm’r</i> , 69 U.S. 32 (1977)
2036, Promissory Notes, Mismatch-Marital:	<i>Estate of Black v. Comm’r</i> , 133 T.C. 340 (2009), <i>supp. by</i> 103 T.C.M. (CCH) 1302 (2012)
Note Repayment:	<i>Estate of Bolles v. Comm’r</i> , 119 T.C.M. (CCH) 1502 (2020)
2036:	<i>Estate of Bongard v. Comm’r</i> , 124 T.C. 95 (2005)
Aggregation:	<i>Estate of Bonner v. United States</i> , 84 F.3d 196 (5 th Cir. 1996)
Indirect Gift:	<i>Estate of Bosca v. Comm’r</i> , 76 T.C.M. (CCH) 62 (1998)
2036:	<i>Estate of Boykin v. Comm’r</i> , 53 T.C.M. (CCH) 345 (1987)
Aggregation:	<i>Estate of Bright v. United States</i> , 658 F.2d 999 (5 th Cir. 1981)

Relevant Cites (cont'd)

<u>Topic(s)</u>	<u>Citation</u>
Valuation:	<i>Buck v. United States</i> , 2021 WL 4391091 (D. Conn.)
2036:	<i>United States v. Byrum</i> , 408 U.S. 125 (1972)
2036, 2703:	<i>Estate of Cahill v. Comm'r</i> , 115 T.C.M. (CCH) 1463 (2018) [MSJ]
Privileges:	<i>Cavallaro v. United States</i> , 153 F. Supp. 2d 52 (Mass. 2001), <i>aff'd</i> , 284 F.3d 236 (1 st Cir. 2002)
Burden of Proof, Valuation:	<i>Cavallaro v. Comm'r</i> , 108 T.C.M. (CCH) 287 (2014), <i>aff'd in part, rev'd in part, remanded</i> , 842 F.3d 16 (1 st Cir. 2016)
Tax Effecting:	<i>Cecil v. Comm'r</i> , TC Memo 2023-24
Aggregation:	<i>Estate of Chenowith v. Commissioner</i> , 88 T.C. 1577 (1987)
Defined Value:	<i>Estate of Christiansen v. Comm'r</i> , 130 T.C. 1 (2008), <i>aff'd</i> , 586 F.3d 1061 (8 th Cir. 2009)
2703, Gift on Formation, Valuation:	<i>Church v. United States</i> , 85 A.F.T.R.2d 804 (W.D. Texas 2000), <i>aff'd</i> , 268 F.3d 1063 (5 th Cir. 2001)
2036:	<i>Comm'r v. Church's Estate</i> , 335 U.S. 632 (1949)
2703, Buy-Sell Key Man Ins.	<i>Connelly v. United States</i> , 2021-2 U.S. Tax Cas. (CCH) P60,729
Aggregation:	<i>Estate of Clarke v. Comm'r</i> , 35 T.C.M. (CCH) 1482 (1976)
2036:	<i>Estate of Cohen v. Comm'r</i> , 79 T.C. 1015 (1982)
Aggregation:	<i>Estate of Curry v. United States</i> , 706 F.2d 1424 (7 th Cir. 1983)
Valuation:	<i>Estate of Dailey v. Comm'r</i> , 82 T.C.M. (CCH) 710 (2001)
Valuation:	<i>Estate of Davis v. Comm'r</i> , 110 T.C. 530 (1998)
Valuation:	<i>Estate of Deputy v. Comm'r</i> , 85 T.C.M. (CCH) 1497 (2003)
Aggregation:	<i>Estate of Dieringer v. Comm'r</i> , 146 T.C. 117 (2016)
2036:	<i>Estate of Disbrow v. Comm'r</i> , 91 T.C.M. (CCH) 794 (2006)
Promissory Notes:	<i>Estate of Duncan v. Comm'r</i> , 102 T.C.M. (CCH) 421 (2011)
Valuation (built-in gains):	<i>Estate of Dunn v. Comm'r</i> , 301 F.3d 339 (5 th Cir. 2002)
Valuation:	<i>Eisenberg v. Comm'r</i> , 155 F.3d 50 (2d Cir. 1998)
2703, Undivided Interests:	<i>Estate of Elkins v. Comm'r</i> , 140 T.C. 86 (2013); <i>aff'd and rev'd in part</i> , 767 F.3d 443 (5 th Cir. 2014)
2036:	<i>Estate of Erickson v. Comm'r</i> , 93 T.C.M. (CCH) 1175 (2007)

Relevant Cites (cont'd)

<u>Topic(s)</u>	<u>Citation</u>
Valuation:	<i>Evenchik v. Comm'r</i> , 105 T.C.M. (CCH) 1231 (2013)
Annual Exclusion:	<i>Fisher v. United States</i> , 105 A.F.T.R.2d 1347 (S.D. Ind. 2010)
2703:	<i>Fisher v. United States</i> , 106 A.F.T.R.2d 6144 (S.D. Ind. 2010)
Post-Event Facts:	<i>Estate of Foster v. Comm'r</i> , 101 T.C.M. (CCH) 1444 (2011)
Work Product Doctrine:	<i>United States v. Frederick</i> , 182 F.3d 496 (7 th Cir. 1999)
Valuation:	<i>Estate of Gallagher v. Comm'r</i> , 101 T.C.M. (CCH) 1702 (2011)
Promissory Notes:	<i>Estate of Gilman v. Comm'r</i> , 88 T.C.M. (CCH) 627 (2004)
Valuation:	<i>Estate of Gimbel v. Comm'r</i> , 92 T.C.M. (CCH) 504 (2006)
Valuation:	<i>Estate of Giovacchini v. Comm'r</i> , 105 T.C.M. (CCH) 1179 (2013)
Valuation:	<i>Estate of Giustina v. Comm'r</i> , 101 T.C.M. (CCH) 1676 (2011), <i>rev'd, remanded</i> , 586 Fed. Appx. 417 (9 th Cir. 2014)
2036:	<i>Estate of Gore v. Comm'r</i> , 93 T.C.M. (CCH) 1436 (2007)
2053; Promissory Notes:	<i>Estate of Graegin v. Comm'r</i> , 56 T.C.M. (CCH) 387 (1988)
Valuation:	<i>Estate of Green v. Comm'r</i> , 86 T.C.M. (CCH) 758 (2003)
Valuation:	<i>Estate of Gribauskas v. Comm'r</i> , 116 T.C. 142 (2001), <i>rev'd</i> , 342 F.3d 85 (2 ^d Cir. 2003)
Valuation:	<i>Grieve v. Comm'r</i> , 119 T.C.M. (CCH) 1174 (2020)
Indirect Gift:	<i>Gross v. Comm'r</i> , 96 T.C.M. (CCH) 187 (2008)
2503, Annual Exclusion:	<i>Hack'l v. Comm'r</i> , 118 T.C. 279 (2002), <i>aff'd</i> , 335 F.3d 664 (7 th Cir. 2003)
2036, Recycling of Value:	<i>Estate of Harper v. Comm'r</i> , 83 T.C.M. (CCH) 1641 (2002)
2036, Aggregation:	<i>Estate of Harrison v. Comm'r</i> , 52 T.C.M. (CCH) 1306 (1987)
Indirect Gift:	<i>Heckerman v. United States</i> , 104 A.F.T.R.2d 5551 (W.D. Wash. 2009)
Defined Value:	<i>Hendrix v. Comm'r</i> , 101 T.C.M. (CCH) 1642 (2011)
2036:	<i>Estate of Hillgren v. Comm'r</i> , 87 T.C.M. (CCH) 1008 (2004)
2036:	<i>Estate of Holliday v. Comm'r</i> , 111 T.C.M. (CCH) 1235 (2016)

Relevant Cites (cont'd)

<u>Topic(s)</u>	<u>Citation</u>
2703, Indirect Gift, Valuation:	<i>Holman v. Comm'r</i> , 130 T.C. 170 (2008), <i>aff'd</i> , 601 F.3d 763 (8 th Cir. 2010)
2036:	<i>Estate of Hurford v. Comm'r</i> , 96 T.C.M. (CCH) 422 (2008)
2036:	<i>Hutchens Non-Marital Trust v. Comm'r</i> , 66 T.C.M. (CCH) 1599 (1993)
Valuation:	<i>Estate of Jackson v. Comm'r</i> , 121 T.C.M. (CCH) 1320 (2021)
Valuation (built-in gains), Constitutionality:	<i>Estate of Jameson v. Comm'r</i> , 267 F.3d 366 (5 th Cir. 2001), <i>vacating, remanding</i> 77 T.C.M. (CCH) 1383 (1999)
Valuation (built-in gains):	<i>Estate of Jelke v. Comm'r</i> , 507 F.3d 1317 (11 th Cir. 2007), <i>vacating, remanding</i> 89 T.C.M. (CCH) 1397 (2005)
Valuation (built-in gains):	<i>Estate of Jensen v. Comm'r</i> , 100 T.C.M. (CCH) 138 (2010)
Indirect Gift:	<i>Estate of [W.W.] Jones v. Comm'r</i> , 116 T.C. 121 (2001)
Tax Effecting, Valuation:	<i>Estate of [Aaron] Jones v. Comm'r</i> , 118 T.C.M. (CCH) 143 (2019)
2036, Equitable Recoupment:	<i>Estate of Jorgensen v. Comm'r</i> , 97 T.C.M. (CCH) 1328 (2009), <i>aff'd</i> , 431 Fed. Appx. 544 (9 th Cir. 2011)
Valuation:	<i>Estate of Jung v. Comm'r</i> , 101 T.C. 412 (1993)
2701:	<i>Estate of Karmazin v. Comm'r</i> , T.C. Docket No. 2127-03 [settled prior to disposition]
2036, Promissory Notes, Valuation:	<i>Keller v. United States</i> , 104 A.F.T.R.2d 6015 (S.D. Tex. 2009), <i>aff'd</i> , 697 F.3d 238 (5 th Cir. 2012)
Valuation:	<i>Estate of Kelley v. Comm'r</i> , 90 T.C.M. (CCH) 369 (2005)
2036:	<i>Estate of Kelly v. Comm'r</i> , 103 T.C.M. (CCH) 1393 (2012)
2704:	<i>Kerr v. Comm'r</i> , 113 T.C. 449 (1999), <i>aff'd</i> , 292 F.3d 490 (5 th Cir. 2002)
2036:	<i>Kimbell v. United States</i> , 244 F. Supp. 2d 700 (N.D. Tex. 2003), <i>vacated, remanded</i> , 371 F.3d 257 (5 th Cir. 2004)
2036:	<i>Estate of King v. Comm'r</i> , 37 T.C. 973 (1962)
Valuation:	<i>In the Matter of King</i> , 424 F. Supp. 117 (D.C. Colo. Jan. 28, 1975), <i>aff'd</i> , 545 F.2d 700 (10 th Cir. 1976)
2519:	<i>Estate of Kite v. Comm'r</i> , 105 T.C.M. (CCH) 1277 (2013)
2036, Valuation:	<i>Estate of Knepp v. United States</i> , 358 F. Supp. 2d 421 (M.D. Pa. 2004)
2704, Valuation:	<i>Knight v. Comm'r</i> , 115 T.C. 506 (2000)

Relevant Cites (cont'd)

<u>Topic(s)</u>	<u>Citation</u>
2031, 2032, 2512, Valuation:	<i>Kohler v. Comm'r</i> , 92 T.C.M. (CCH) 48 (2006)
Promissory Notes, Valuation:	<i>Koons v. Comm'r</i> , 105 T.C.M. (CCH) 1567 (2013)
2036:	<i>Estate of Korby v. Comm'r</i> , 89 T.C.M. (CCH) 1150 (2005), <i>aff'd</i> , 471 F.3d 848 (8 th Cir. 2006)
Privileges:	<i>United States v. Kovel</i> , 296 F.2d 918 (2 ^d Cir. 1961)
2703, Tax-Affecting, Valuation:	<i>Kress v. United States</i> , 372 F. Supp. 3d 731 (E.D. Wis. 2019)
Valuation:	<i>United States v. Land</i> , 303 F.2d 170 (5 th Cir. 1962)
Valuation:	<i>Lappo v. Comm'r</i> , 86 T.C.M. (CCH) 333 (2003)
Valuation:	<i>Larson v. Comm'r (In re Est. of Levine)</i> , 158 T.C. No. 2 (2022)
2053:	<i>Estate of Lasarzig v. Comm'r</i> , 78 T.C.M. (CCH) 448 (1999)
MSJ, Abuse of Discretion:	<i>Estate of Kwang Lee v. Comm'r</i> , 122 T.C.M. (CCH) 91 (2021)
Aggregation:	<i>Estate of Lehmann v. Comm'r</i> , 74 T.C.M. (CCH) 415 (1997)
Valuation:	<i>Levy v. United States</i> , No. A-07-CA-339-LY (W.D. Tex. Nov. 26, 2008), <i>aff'd</i> , 402 Fed. Appx. 979 (5 th Cir. 2010)
2036:	<i>Estate of Liljestrand v. Comm'r</i> , 102 T.C.M. (CCH) 440 (2011)
Indirect Gift:	<i>Linton v. United States</i> , 638 F. Supp. 2d 1277 (W.D. Wash. 2009), <i>rev'd in part, remanded</i> , 630 F.3d 1211 (9 th Cir. 2011)
Valuation:	<i>Litman v. United States</i> , 78 Fed. Cl. 90 (2007)
2036:	<i>Estate of Lockett v. Comm'r</i> , 103 T.C.M. (CCH) 1671 (2012)
Aggregation:	<i>Estate of Lopes v. Comm'r</i> , 78 T.C.M. (CCH) 46 (1999)
Valuation, Undivided Interest:	<i>Ludwick v. Comm'r</i> , 99 T.C.M. (CCH) 1424 (2010)
2036, Indirect Gift:	<i>Estate of Malkin v. Comm'r</i> , 98 T.C.M. (CCH) 57938 (2009)
Valuation:	<i>Mandelbaum v. Comm'r</i> , 69 T.C.M. (CCH) 2852 (1995)
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Defined Value, Net Net Gift:	<i>Succession of McCord v. Comm'r</i> , 461 F.3d 614 (5 th Cir. 2006), <i>rev'g</i> 120 T.C. 358 (2003)

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<u>Topic(s)</u>	<u>Citation</u>
Valuation:	<i>Estate of McFarland v. Comm'r</i> , 72 T.C.M. (CCH) 673 (1996)
Promissory Notes:	<i>McKee v. Comm'r</i> , 72 T.C.M. (CCH) 324 (1996)
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2036:	<i>Estate of Miller v. Comm'r</i> , 97 T.C.M. (CCH) 1602 (2009)
2036, 2043:	<i>Estate of Mirowski v. Comm'r</i> , 95 T.C.M. (CCH) 1277 (2008)
2036:	<i>Estate of Moore v. Comm'r</i> , 119 T.C.M. (CCH) 1251 (2020)
2036, Promissory Notes:	<i>Morrissey v. Comm'r</i> , 243 F.3d 1145 (9th Cir. 2001), <i>rev'g</i> , <i>Friedlander Kaufman v. Comm'r</i> , 77 T.C.M. (CCH) 1779 (1999)
Valuation:	<i>Estate of Mueller v. Comm'r</i> , 63 T.C.M. (CCH) 3027 (1992)
2036, Promissory Notes, Valuation:	<i>Estate of Murphy v. United States</i> , 104 A.F.T.R.2d 7703 (W.D. Ark. 2009)
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Tiered Discounts, Valuation, Defined Value:	<i>Nelson v. Comm'r</i> , 119 T.C.M. (CCH) 1554 (2020)
Aggregation:	<i>Estate of Newhouse v. Comm'r</i> , 94 T.C. 193 (1990)
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Aggregation:	<i>Northern Trust Co. v. Comm'r</i> , 87 T.C. 349 (1986)
Aggregation:	<i>Estate of Nowell v. Comm'r</i> , 77 T.C.M. (CCH) 1239 (1999)
2036:	<i>United States v. O'Malley</i> , 383 U.S. 627 (1966)
Valuation:	<i>Peracchio v. Comm'r</i> , 86 T.C.M. (CCH) 412 (2003)
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2036, 2043:	<i>Estate of Powell v. Comm'r</i> , 148 T.C. 392 (2017)
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<u>Topic(s)</u>	<u>Citation</u>
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2036, Promissory Notes, Annual Exclusion:	<i>Estate of Purdue v. Comm'r</i> , 110 T.C.M. (CCH) 627 (2015)
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2036:	<i>Estate of Rector v. Comm'r</i> , 94 T.C.M. (CCH) 567 (2007)
2036:	<i>Estate of Reichardt v. Comm'r</i> , 114 T.C. 144 (2000)
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2036:	<i>Estate of Riese v. Comm'r</i> , 101 T.C.M. (CCH) 1269 (2011)
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Adequate Disclosure:	<i>Estate of Sanders v. Comm'r</i> , 107 T.C.M. (CCH) 1493 (2014)
Post-Event Facts:	<i>Estate of Saunders v. Comm'r</i> , 136 T.C. 406 (2011)
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2036:	<i>Estate of Schutt v. Comm'r</i> , 89 T.C.M. (CCH) 1353 (2005)
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<u>Topic(s)</u>	<u>Citation</u>
2036, Mismatch-Marital:	<i>Estate of Shurtz v. Comm'r</i> , 99 T.C.M. (CCH) 1096 (2010)
Valuation:	<i>Estate of Simplot v. Comm'r</i> , 249 F.3d 1191, <i>rev'g</i> 112 T.C. 130 (1999)
Privileges:	<i>Sims v. Lakeside School</i> , No. 06cv1412 (RSM) (W.D. Wash. Sept. 20, 2007)
Valuation:	<i>Smaldino v. Comm'r</i> , 122 T.C.M. (CCH) 298 (2021)
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Valuation:	<i>Estate of [Helen] Smith v. Comm'r</i> , 78 T.C.M. (CCH) 745 (1999)
2704:	<i>Estate of Smith v. United States</i> , 103 Fed. Cl. 533 (2012)
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2036:	<i>Estate of [Allene] Stone v. Comm'r</i> , 86 T.C.M. (CCH) 551 (2003)
2036:	<i>Estate of [Joanne] Stone v. Comm'r</i> , 103 T.C.M. (CCH) 1237 (2012)
2036:	<i>Estate of Strangi v. Comm'r</i> , 115 T.C. 478 (2000), <i>aff'd in part, rev'd in part</i> , 293 F.3d 279 (5 th Cir. 2002)
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2036, Valuation:	<i>Estate of Thompson v. Comm'r</i> , 84 T.C.M. (CCH) 374 (2002), <i>aff'd</i> , 382 F.3d 367 (3 ^d Cir. 2004)
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<u>Topic(s)</u>	<u>Citation</u>
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Privileges:	<i>In re von Bulow</i> , 828 F.2d 94 (2d Cir. 1987)
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2036:	<i>Wheeler v. United States</i> , 116 F.3d 749 (5th Cir. 1997), <i>rev’g</i> 77 A.F.T.R.2d 1411 (W.D. Tex. Jan. 26, 1996)
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2702, 2036, IDGTs:	<i>Estate of Woelbing v. Comm’r</i> , T.C. Docket No. 30261-13 [settled prior to disposition]
IRS Settlement Guidelines:	07 No. 020 BNA Taxcore 25; http://www.irs.gov/pub/irs-utl/asg_penalties_family_limited_pships_finalredacted_10_20_06.pdf
Investment Company Rules:	I.R.C. § 351
Investment Company Rules:	I.R.C. § 368
Investment Company Rules:	I.R.C. § 721
Personal Liability:	I.R.C. § 2204
TEFRA:	I.R.C. § 6031(A)
TEFRA:	I.R.C. § 6222-31
Personal Liability:	I.R.C. § 6324
Burden of Proof:	I.R.C. § 7491
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Personal Liability:	31 U.S.C. § 3713
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