

Overview

A company facing financial difficulties, and possible insolvency, may consider tax issues to be the least of its worries—even when tax issues may have led to its financial difficulties in the first place. Professional nontax advisors, often faced with the need to realize assets under significant time pressure, may also overlook the nontax aspects arising in insolvency situations. An unfortunate oversight, indeed.

For many reasons, tax needs to be at the forefront of any insolvency situation. Acting without the help of seasoned tax lawyers could result in the reduction of tax assets, the creation of a tax cost, a restriction in the commercial ability to restructure and, ultimately, a risk that your insolvency practitioner could be liable for taxes and costs arising in connection with the insolvency situation.

At Dentons, we engage our Tax team with hours of instruction to ensure that tax opportunities are identified and value is not lost by decisions made and steps taken, and to ensure that any tax clearances can be obtained as quickly as possible.

Our lawyers have deep knowledge from a global perspective that is central to any insolvency procedure. From liquidations, administrations and administrative receiverships to Chapter 11 and clearinghouses for volunteer accounting services across all sectors, we have the experience you need. Our team, working in tandem with accounting firms, also advises on issues arising across the full range of taxes—not only corporation tax, but the often overlooked indirect tax issues. And when it comes to advising on cross-border insolvencies, which invariably give rise to complex and novel challenges that can be missed by the inexperienced advisor, Dentons will give you counsel you can depend on.

Representative Experience

- **Bridgewater Systems Corporation:** Advising on its CA\$211 million acquisition by Amdocs Limited by way of plan of arrangement.
- **Capital Power Income L.P.:** Advising on its CA\$1.1 billion acquisition by Atlantic Power Corporation.
- **ESI Group:** Advising the global supplier of end-to-end virtual prototyping software on their acquisition of ICIDO Gesellschaft für innovative Informationssysteme GmbH from several venture capital funds and former founding shareholders.
- **Grant Forest Products Inc.:** Acting as counsel on the CCAA and US Bankruptcy Court approved acquisition of its oriented strand board facilities in Ontario and South Carolina, US by Georgia-Pacific LLC for US\$400 million.
- **Large International bank:** Advising a prominent international bank on a cross-border transfer of a leasing portfolio as part of the disposal of its non-core aviation arm. We drew upon our experience in cross-border leasing taxation and our creativity in resolving issues resulting from the interaction between tax systems to advise on the UK tax and value added tax aspects of the acquisition of the portfolio, negotiate amendments to the documentation and coordinate the highly intricate international tax aspects of the transaction.
- **Leading company in the rolling papers sector:** Advising on the most efficient way from a tax point of view regarding the cross-border restructuring where the Spanish company sold its subsidiaries in Catalonia and Austria to a French company, cancelling the operations with the American headquarters. The team also advised on the implementation of the mentioned structure.
- **Solarwatt AG:** Advising on a successful restructuring in the context of a protective shield proceeding as a debtor-

in-possession. Our team drafted the restructuring plan and implemented the restructuring concept via a capital reduction to zero with a subsequent cash and capital increase. Furthermore, we advised Solarwatt AG on the negotiations with the works council regarding personnel measures, which resulted in a successful settlement.

- **Teledyne Technologies Inc.:** Advising on its \$337 million acquisition of publicly traded DALSA Corporation (TSX: DSA) (DALSA) by plan of arrangement. Teledyne is a leading provider of sophisticated instrumentation, digital imaging products and software, aerospace and defense electronics, and engineered systems with operations primarily located in the United States, Canada, the United Kingdom and Mexico. DALSA, now Teledyne DALSA, Inc., is an international leader in high performance digital imaging and semiconductors. The company designs, develops, manufactures and markets digital imaging products and solutions, in addition to providing specialized semiconductor foundry services, with core competencies in advanced integrated circuit and electronics technology, software, and highly engineered semiconductor wafer processing.
- **TerreStar Networks Inc.:** Advising on the DISH Network Corporation acquisition of its assets, valued at C\$1.37 billion. The transaction is unique in that DISH agreed to advance, and did advance, approximately 97 percent of the purchase price prior to the transaction receiving Canadian and US regulatory approval and for being one of the first deals under the new liberalized rules for foreign ownership of Canadian satellites. DISH completed its acquisition of TerreStar on March 9, 2012.
- **Total, SA:** Advising in connection with the sale of its French solar energy subsidiary Tenesol to SunPower Corporation, a US company listed on the Nasdaq stock exchange, for US\$165.4 million. Tenesol is a leader in the French market for large industrial and commercial solar installations, with operations in 18 countries and solar panel manufacturing facilities in France and South Africa.
- **WestLB:** Advising a major German bank on a spin-off transaction concerning a bank with €40 billion in assets and 400 employees and involving a €1 billion share capital increase half-contributed by a bank which we advised on tax and corporate structuring aspects. The spin-off will act as a service unit for the savings banks (Sparkassen) located in the state of Nordrhein-Westfalen. Hessische Landesbank will take over the shares in the spin-off. In order to fund the transaction, Hessische Landesbank went through an increase in share capital amounting to €1 billion. Part of the capital increase (€500 million) was contributed by Deutscher Sparkassen und Giroverband (DSGV), who we advised on the tax and corporate structuring of the transaction.

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