

## Rose C. Chan, Of Counsel

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Ms. Chan concentrates her practice in the areas of tax-exempt organizations and tax controversy. She specializes in counseling nonprofit organizations with regard to their advocacy work.

Prior to joining Rodriguez Horii Choi & Cafferata LLP, Ms. Chan was a founding member of and a senior tax manager in the Pacific Southwest Tax Controversy Group of Deloitte & Touche, advising large and mid-size clients on all aspects of IRS Examination and Appeals. As a senior tax attorney in the Tax Controversy Group at ARCO, Ms. Chan represented the company through examination, at IRS Appeals, at Tax Court and in District Court on a wide range of federal tax issues. Ms. Chan began her legal career at Latham & Watkins, where her tax experience encompassed transactional advice, drafting of ruling requests, federal and state tax controversy work and advice to tax-exempt organizations

### Ms. Chan's work has included the following matters:

**Advocacy and Lobbying:** Advising nonprofit organizations on how to carry on advocacy work, including legislative lobbying work, in support of their missions. Assisting clients on the appropriate corporate structure for carrying on their advocacy programs and providing day-to-day advice on advocacy work.

**Tax Audits:** Representation of taxpayers, including individuals, businesses and nonprofit organizations, in matters before the Internal Revenue Service, the Franchise Tax Board and other taxing authorities.

**Applications for Tax Exemption:** Working with founders on structuring their nonprofit organizations and in obtaining tax-exempt status.

**Corporate Governance Issues:** Advising boards on issues such as conflicts of interest, contractual and other operational issues, and compliance with statutory requirements. Drafting and updating articles, bylaws, and corporate policies.

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### EDUCATION

J.D., New York University School of Law, 1986. NYU Law Review, Note and Comment Editor

B.A., Stanford University, 1982. Graduated with Distinction.

### PUBLICATIONS

"The Foreign Agents Registration Act and Tax Exempts: It May Apply to You" — *Taxation of Exempts* (May/June 2020)

"California Fights to Unmask Donors" — *Special Report, The Exempt Organization Tax Review* (Volume 71, Number 2, February 2013)

### COMMUNITY ACTIVITIES

President, Twelve Oaks Foundation

Co-President, Stanford Club of Pasadena; Member, Stanford Associates, Stanford Alumni Association; Class of 1982 Reunion Committee

Director/Executive Committee, East West Players

Board of Directors, Episcopal Communities and Services

Gala Committee, Weingart Center

Former Board Member, Vice President Scholarships, Community Scholarship Foundation of La Canada

Former President, National Charity League, Inc., Glendale Chapter

Former Board Member, Lineage Dance Company

Former Co-President and Vice President, Benefit, La Canada Flintridge Educational Foundation. Recipient of Foundation's Spirit of Outstanding Service Award

Former President, Palm Crest Elementary School Parent Teacher Association. Recipient of PTA Service Award

Former Board Member, Stanford Professional Women

## **REPRESENTATIVE TRANSACTIONS**

Representation of clients in formation and application for tax-exemption of nonprofit entities. Types of entities have included a newspaper, a historical building organization, various arts organizations, and religious corporations.

Ongoing consulting regarding structure and operations of various types of nonprofit entities, including private foundations making grants to foreign charities, 501(c)(4)s affiliated with 501(c)(3)s, and 501(c)(6) membership organizations. Significant projects include analysis of the expenditure responsibility rules and filing of an application for approval of the scholarship program operated by the foreign grantee of a private foundation.

Ongoing review of nonprofit clients' advocacy work and communications regarding such work. Significant projects include structuring the advocacy and educational communication campaigns relating to ballot measures and advising clients regarding the funding of such campaigns.

Ongoing projects for several private foundation to revise grant agreement templates in order to achieve a better balance between accomplishing grantor purpose and allowing grantee flexibility.

Advice and compliance support relating to nonprofit activities encompassed by the Foreign Agents Registration Act.

Conduct of workshops and seminars for public charity and private foundation boards of directors, board advocacy committees, government affairs departments, and grant personnel regarding legislative lobbying and political campaign laws.

## **TAX CONTROVERSY WORK**

Advised corporate client in guiding multiple employees who were being separately audited by the Internal Revenue Service on the ground that the employees' charitable contributions of company stock constituted assignment of income.

Represented and defended individual taxpayers in significant audit related to tax consequences of sales of stock. After many years in which the Franchise Tax Board continued to assert an assignment of income argument, we succeeded in persuading the FTB that complete withdrawal of the issue was the correct result.

Represented and defended individual taxpayer in FTB audit regarding trader status and application of the Internal Revenue Code mark-to-market rules. After five years in which the taxpayer's previous representatives were unable to make progress on the audit, our work resulted in the FTB's decision to withdraw the issue.

Represented and defended individual taxpayers in FTB audit relating to residency and income sourcing issues. The audit was settled with a significantly reduced assessment.