2006

TAX FAQs

Small Business Stock

Answers to Frequently Asked Questions Concerning Qualified Small Business Stock and Section 1244 Stock

AUTHORS

Winston Chang and Anita Choi

CONTRIBUTORS AND EXPERTS

Robert Blashek
Daniel Dunn
Robert Fisher
Philip Irwin
Brad Okun
Russell Pinilis
Robert Rizzi

O'MELVENY & MYERS LLP

AUTHORS

Winston Chang, *Newport Beach* *wchang@omm.com* *(949) 823-7141*
Anita Choi, *Los Angeles* *achoi@omm.com* *(213) 430-6345*

CONTRIBUTORS AND EXPERTS

Robert Blashek, *Century City*
Daniel Dunn, *New York*
Robert Fisher, *Los Angeles*
Philip Irwin, *Los Angeles*
Brad Okun, *New York*
Russell Pinilis, *New York*
Robert Rizzi, *Washington, D.C.*

EDITOR

Dean Weiner, *Los Angeles* *dweiner@omm.com* *(213) 430-6638*

The material in this publication was prepared as of January 31, 2006, and should be viewed only as a general summary and not as legal advice or as a substitute for legal consultation in any particular case.

© 2006 O'Melveny & Myers LLP

INTRODUCTION 2

TAX BENEFITS OF QUALIFIED SMALL BUSINESS STOCK ("QSBS")
What is the preferential tax treatment of QSBS? 2
How does a QSBS shareholder benefit from the reduced capital gains tax? 2
How does a QSBS shareholder benefit from the gain-rollover/tax-deferral election? 3
Are there any limitations on QSBS tax benefits? 3
Can investors in pass-through entities benefit from the gain-rollover/tax-deferral election and the reduced capital gains tax rate? 5
How are QSBS tax benefits treated under the Alternative Minimum Tax ("AMT")? 5

REQUIREMENTS FOR QSBS STATUS
What are the requirements for QSBS status? 6
What "Issuer Requirements" are imposed on small businesses to qualify for QSBS tax benefits? 6
How are a corporation's assets valued for the aggregate gross assets test? 7
How does a corporation issue QSBS? 8
What "Shareholder Requirements" are imposed to qualify for QSBS tax benefits? 8

TAX BENEFITS OF SECTION 1244 STOCK
What are the tax advantages of issuing Section 1244 stock? 10
Are there any limitations on Section 1244 stock benefits? 10
Who are eligible shareholders that can benefit from the preferential tax treatment of Section 1244 stock? 10
What other shareholder limitations apply to Section 1244 stock? 10

REQUIREMENTS FOR SECTION 1244 STOCK STATUS
What are the requirements for Section 1244 stock status? 11
What is a small business corporation? 11
How are a corporation's assets valued for purposes of the aggregate contributions test? 11

Small Business Stock

INTRODUCTION

Stock in new ventures and small businesses that qualifies as "qualified small business stock" ("QSBS") or Section 1244 stock is entitled to certain tax benefits. Investors should understand how to structure their small business investments to take advantage of this preferential tax treatment. This folio of TAX FAQs describes the tax benefits of QSBS status and Section 1244 stock status, and the numerous issuer and shareholder requirements necessary to obtain such preferential tax treatment.

NOTE: The maximum long-term capital gain rate for non-corporate shareholders has been lowered from 20% to 15%. This rate reduction significantly reduces some of the tax benefits associated with QSBS. Taxpayers currently receive a relatively small 1% reduction in their capital gain tax rate, from 15% to 14%, if their sale qualifies as a disposition of QSBS, rather than a 6% reduction from 20% to 14%.

TAX BENEFITS OF QUALIFIED SMALL BUSINESS STOCK ("QSBS")

Q/ What is the preferential tax treatment of QSBS?

To encourage investment in emerging small businesses, QSBS shareholders are eligible for a reduced capital gains tax on the sale of their QSBS, and may elect to defer the tax on the gain realized on the sale of their QSBS to the extent they reinvest the proceeds of the sale in new QSBS (the "gain-rollover/tax-deferral election").

Q/ How does a QSBS shareholder benefit from the reduced capital gains tax?

QSBS shareholders (who meet the Shareholder Requirements described below) can permanently exclude from taxation 50% of any gain realized from the sale of their QSBS.[1] However, the remaining 50% of the QSBS gain includable in taxable income is subject to a 28% capital gains tax rate. Therefore, the effective tax rate on a shareholder's aggregate QSBS gain is only 14% versus 15% for current long-term capital gains.

EXAMPLE: Assume a qualified shareholder sells his QSBS for a gain of $1,000. The shareholder will exclude $500 of such gain from taxable income and pay tax at a 28% rate on the remaining $500, so that the shareholder pays $140 of tax on the $1,000 of QSBS gain. If the stock did not qualify for QSBS treatment, the shareholder would pay $150 of tax on the $1,000 of gain (using current long-term capital gains tax rates).

NOTE: The foregoing comparison of tax rates is based on current maximum capital gains tax rates for non-corporate shareholders. As described below, the holding period to qualify for the 14% effective tax rate is more than 5 years, and capital gains tax rates could change within such five-year holding period.

[1] If the corporations, trades or businesses are actively conducted in an "empowerment zone" and other requirements are met, 60% of the QSBS gain may be excluded under the rules described above.

Q/ How does a QSBS shareholder benefit from the gain-rollover/tax-deferral election?

A QSBS shareholder can elect to defer recognition of QSBS gains by purchasing new QSBS within a 60-day reinvestment period. A shareholder making this election will recognize QSBS gain on the sale of his QSBS only to the extent his net QSBS sale proceeds exceed the cost of any new QSBS purchased within the 60-day rollover period (the 60-day rollover period begins the day of the sale of the QSBS). The basis in the new QSBS is its cost less the amount of any gain realized but not recognized on the sale of the old QSBS. As a result, any QSBS gain not recognized is merely deferred due to the reduction of the shareholder's basis in his new QSBS. A shareholder's holding period for the new QSBS begins on the day after it is purchased for purposes of this provision (but the shareholder's holding period of the old QSBS is added to the holding period for the new QSBS for other tax purposes, including eligibility for the reduced capital gains tax rate).

NOTE: As described below, a shareholder must have held his QSBS for more than 6 months to qualify for the rollover election. The rollover election must be made on a taxpayer's timely filed (including extensions) tax return for the tax year in which the QSBS is sold. The election can be made (or not made) for each share of QSBS sold.

EXAMPLE: Assume a qualified shareholder held QSBS for 9 months and sold it on January 1, 2005, for $1,000, realizing a $600 gain because the shareholder had a cost basis of $400 in the QSBS. The shareholder purchases new QSBS from another qualified small business 30 days later for $900. The shareholder must recognize gain of $100 on the sale of the QSBS (and may elect to exclude the other $500 from income). The shareholder's basis in the new QSBS is $400 — its $900 cost minus the $500 excluded from taxable income. The balance of the shareholder's gain on his QSBS sale is short-term capital gain. If the shareholder had held the original QSBS for more than one year, the $100 of recognized gain would be long-term capital gain, or if held for more than 5 years the gain would potentially qualify for the reduced effective capital gains tax rate of 14%. The shareholder's holding period for the new QSBS begins on the day after it is purchased for purposes of the gain-rollover/tax-deferral election and would include the holding period for the original QSBS for purposes of the reduced capital gains tax.

Q/ Are there any limitations on QSBS tax benefits?

Yes. The amount of QSBS gain eligible for the reduced capital gains tax is limited for each taxpayer to the greater of (A) $10,000,000 for any QSBS issued by the same corporation or (B) 10 times the aggregate adjusted basis of QSBS issued by the same corporation and disposed of by the shareholder during the tax year. If a taxpayer exceeds this limitation, the excess QSBS gain will be subject to tax at the long-term capital gains tax rate.

NOTE: Any additions to QSBS basis after the date of original issuance are not included in the calculation of the limitation under (B) above.

EXAMPLE: Assume Shareholder acquired QSBS from Company A on January 1, 1995, for $750,000. More than 5 years later, Shareholder sells his QSBS for $11,750,000 and realizes $11,000,000 of gain. Shareholder is subject to the per-issuer limitation of the greater of

$10,000,000 or $7,500,000 (10 times tax basis of $750,000). Therefore, Shareholder's QSBS gain limitation is $10,000,000, 50% or $5,000,000 of which is excludable from his taxable income. As a result of such sale, Shareholder's issuer limitation for the year of sale (with respect to Company A only) is fully used. Therefore, while Shareholder realizes $11,000,000 of gain, he only recognizes $6,000,000 of gain ($5,000,000 of his $11,000,000 gain is permanently excluded), $5,000,000 of which is subject to tax at 28% and $1,000,000 of which is subject to tax at the long-term capital gain tax rate of 15%. Thus, Shareholder must pay $1,550,000 in tax on his $11,000,000 of realized QSBS gain.

NOTE: If a shareholder transfers property (other than money or stock) to a corporation in exchange for QSBS, the shareholder's basis in his QSBS for purposes of computing the amount of any excludable gain or the amount of any gain eligible for rollover is no less than the fair market value of the property (that is, any built-in gain in the contributed property is not eligible for the 50% gain exclusion or the gain-rollover/tax-deferral provisions). For purposes of determining the overall limitations on the amount of gain eligible for exclusion (i.e., 10 times the aggregate adjusted basis of the QSBS stock sold), the same basis rule applies.

EXAMPLE: Stockholder transferred property to New Corporation in exchange for all of its QSBS. Stockholder's tax basis in the contributed property is $50,000, but as of the date of contribution it had a fair market value of $150,000. Although Stockholder's basis in his QSBS is $50,000, for purposes of determining the amount of his gain that may be excludable, his basis is $150,000. Assume Stockholder sells his stock more than 5 years later for $1,000,000; his gain realized is $950,000, but his gain for purposes of determining the amount of his excludable QSBS gain is only $850,000. Thus, $425,000 of Stockholder's gain is permanently excluded from taxation, $425,000 is subject to tax at 28%, and $100,000 (the built-in gain in the contributed property) is subject to tax at the long-term capital gains tax rates, currently 15%. Thus, the total tax due on the $950,000 of gain is $134,000.

EXAMPLE: Assume that Stockholder contributes property with a fair market value of $5,500,000 and a tax basis of $1,500,000 in exchange for all of the QSBS in Company B. More than 5 years later, Stockholder sells all of his QSBS for $20,000,000. Stockholder's gain realized is $18,500,000, but of the $18,500,000 only $14,500,000 (the greater of (A) $10,000,000 or (B) $55,000,000 (10 times the original fair market value of $5,500,000) but limited to $14,500,000 ($20,000,000 less $5,500,000)) is eligible for the 50% exclusion. Thus, $7,250,000 of gain is permanently excluded and $7,250,000 of gain is subject to the 28% tax rate. The remaining gain of $4,000,000 is subject to tax at the long-term capital gains tax rate, currently 15%. Thus, the total tax due on the $18,500,000 of gain is $2,630,000.

Q/ Can investors in pass-through entities benefit from the gain-rollover/tax-deferral election and the reduced capital gains tax rate?

To qualify for QSBS tax benefits through a pass-through entity, the taxpayer must hold his interest in the pass-through entity on the date the entity acquires the QSBS and at all times before the disposition of the QSBS. QSBS gains realized through or outside of pass-through entities rolled into new QSBS held by the investor directly or indirectly through the same or a different pass-through entity avoid current recognition.

Q/ How are QSBS tax benefits treated under the Alternative Minimum Tax ("AMT")?

A portion of the QSBS gain exclusion is a tax preference item under the AMT. As a result, any taxpayer subject to the AMT will pay an effective tax rate on recognized QSBS gains of approximately 15% (generally equivalent to the maximum individual long-term capital gain tax rate of 15% rather than the reduced QSBS effective tax rate of 14%).

EXAMPLE: Assume Stockholder is subject to the AMT in his tax year 2004 because he has realized a $10,000,000 gain from the sale of his QSBS. The reduced capital gain tax on his recognized QSBS gain of $5,000,000 is $1,400,000. However, because Stockholder is subject to the AMT, he must include an additional 350,000 (7% of the $5,000,000 excluded gain) in his taxable income. This additional amount will be subject to tax at 28% (the AMT tax rate). Therefore, Stockholder will pay $1,498,000 on his $10,000,000 of realized QSBS gain or approximately 15% (the long-term capital gain tax rate).

REQUIREMENTS FOR QSBS STATUS

Q/ What are the requirements for QSBS status?

QSBS is common or preferred stock issued by a domestic corporation which meets certain qualifications regarding business size and activities ("Issuer Requirements"), as well as specific acquisition and holding period tests ("Shareholder Requirements").

Q/ What "Issuer Requirements" are imposed on small businesses to qualify for QSBS tax benefits?

(1) C-Corporation Issuer — The issuer must be a domestic C corporation. S corporations and LLC/partnerships may not issue QSBS.

NOTE: QSBS can be either common or preferred stock.

(2) Active Business — A corporation must engage in an "active business" during substantially all of the shareholder's holding period of the stock. To meet this "active business" requirement, a corporation must use at least 80% of its assets (measured by value) in one or more qualified trades or businesses. A qualified trade or business is any trade or business other than:

- Service businesses in the fields of health, law, engineering, architecture, accounting, actuarial services, brokerage services, or any trade or business where the principal asset of such trade or business is the reputation or skill of one or more of its employees;
- Any banking, insurance, financing, leasing, investing or similar business;
- Any farming business or any business involving production or extraction of certain minerals; and
- The operation of any hotel, motel, restaurant or other similar business.

In addition, a corporation does not meet the active business requirement if:

- More than 10% of the value of its net assets consists of stock or securities of other corporations that are not more than 50% subsidiaries; or
- More than 10% of the total value of its assets consists of real property not used in the corporation's trade or business.

Some passive assets, such as rights to computer software royalties and assets used in research or other start-up activities, are generally treated as being "used in the active conduct of a qualified trade or business" for purposes of applying the 80% active assets test.

NOTE: Most high-tech businesses will qualify as active trades or businesses, though incubators (or accelerators) may not qualify.

(3) No Significant Redemptions — Stock will not be treated as QSBS if, during the two-year period beginning on the date one year before the issuance of such stock, the issuing corporation purchases more than a *de minimis* amount of its stock, and the purchased stock has an aggregate value exceeding 5% of the aggregate value of all of its stock as of the beginning of the two-year period.

(4) Maximum Assets at Issuance — A corporation issuing QSBS cannot have had aggregate gross assets in excess of $50 million at any time after August 10, 1993, through and "immediately after" the issuance of the QSBS. Post-issuance growth of the corporation, however, does not disqualify outstanding QSBS. If the cash or property received in a stock issuance pushes the gross assets of the corporation over the $50 million threshold, the issued stock will not qualify as QSBS. Furthermore, if a corporation is under $50 million in gross assets following an issuance but a preconceived plan is in place to issue additional stock that will cause the corporation to exceed the $50 million gross asset limitation, the IRS may assert the step-transaction doctrine and disqualify all of the stock involved in the collapsed multi-step issuance.

Q/ How are a corporation's assets valued for the aggregate gross assets test?

The assets of the issuing corporation are generally valued by reference to their adjusted tax basis. The exception to this rule, however, is that contributed assets are treated as having a basis at the time of contribution equal to their fair market value at the time of contribution. For purposes of the $50 million test, a corporation's assets generally include the assets of all 50% or more parent or subsidiary corporations.

EXAMPLE: A founder contributes software to a corporation with a basis of zero but a fair market value of $10,000,000. The stock the founder receives can qualify as QSBS. (However, upon sale of the stock, the founder will be eligible for the reduced capital gains rate only on appreciation of the stock over $10,000,000.) Assume the value of the software increases to $20,000,000. The corporation later issues $31,000,000 of corporate stock for cash. This stock can qualify as QSBS because the value of the software upon contribution (assume no depreciation) of $10,000,000 plus the $31,000,000 in cash received on the second issuance is less than $50,000,000. Finally, if the aggregate basis of the corporation's assets subsequently exceeds $50,000,000, the existing QSBS can retain its qualification as QSBS, but the corporation cannot issue any additional QSBS.

NOTE: Once a qualified small business issues QSBS, the stock will continue to qualify as QSBS unless the corporation changes its business to a nonactive trade or business (during the taxpayer's holding period) or makes one of the prescribed redemptions. A corporation may increase its size without causing its already issued QSBS to lose its QSBS status, but the corporation will not be able to issue any additional QSBS.

NOTE: All issuer requirements must be satisfied on the date the stock is issued so that if the corporation does not satisfy the requirements on the date stock options are exercised or convertible debentures are converted to stock, the stock will not qualify as QSBS even if the corporation did satisfy the requirements on the date the options or the convertible debentures were issued. Therefore, a corporation should not guarantee that the stock to be received on the exercise of options or conversion of debentures will qualify as QSBS.

Q/ How does a corporation issue QSBS?

A qualified small business need not take any formal action to cause its stock to qualify as QSBS so that it can do so, even inadvertently, if the QSBS requirements are satisfied. A qualified small business, however, must agree to supply the IRS and its shareholders with such reports as may be required by the IRS. Currently, there are no reporting requirements, but each failure to file a report by its due date will be subject to a $50 penalty for each year covered ($100 if such failure is due to negligence or intentional disregard).

NOTE: Because shareholders are attracted to investments that minimize their tax costs and maximize available tax benefits, it may be in a corporation's (and its shareholders') best interests to be mindful of the foregoing (and the following) requirements for QSBS status in structuring its activities. However, if the corporation assures its shareholders that its stock will qualify as QSBS, it may be locking itself into not redeeming its shares and not changing its business to a nonactive business in the future.

Q/ What "Shareholder Requirements" are imposed to qualify for QSBS tax benefits?

(1) Noncorporate Shareholder — Shareholders that are individuals, trusts or estates can qualify for the tax benefits of holding QSBS. Additionally, gains recognized by S corporations and LLC/partnerships that are passed through to noncorporate partners/members or any S corporation shareholder are potentially eligible for QSBS tax benefits (see discussion regarding pass-through entities above).

(2) Holding Period — To qualify for the reduced capital gains tax, a shareholder must hold his QSBS for more than 5 years. To qualify for the gain-rollover/tax-deferral election, a shareholder must hold QSBS for more than 6 months. A shareholder can add ("tack") his holding period under a number of circumstances, generally including (i) for a transfer by gift and upon death, and (ii) from preferred QSBS to common QSBS received from the same issuer on conversion of the preferred to common. However, when debentures are converted into QSBS, QSBS warrants are exercised, or when QSBS is received in exchange for property, the holding period for the QSBS begins on the date of such conversion, exercise, or exchange (and any QSBS gain is limited to postconversion, postcontribution, or postexercise appreciation).

EXAMPLE: Dad acquired QSBS on January 1, 1999. On January 1, 2004, Dad gives Junior his QSBS as a gift. Junior's holding period for his QSBS will include his father's holding period. On May 1, 2004, Junior sells his QSBS and rolls all of the QSBS sale proceeds into new QSBS acquired on June 1, 2004. Junior will not be required to recognize any gain on the sale of his QSBS, but his holding period for his new QSBS shares will begin on (a) June 1, 2004, for purposes of another gain-rollover/tax-deferral election and (b) January 1, 1999, for purposes of the reduced rate capital gain provisions.

EXAMPLE: On January 1, 2004, Stockholder contributed Greenacres to a qualified small business in exchange for QSBS in connection with the tax-free formation of the corporation. Stockholder had purchased Greenacres on January 1, 1999. Stockholder's holding period for his QSBS begins on January 1, 2004, for purposes of the reduced capital gains tax and the gain-rollover/tax-deferral election for QSBS, but will begin on January 1, 1999, for general tax purposes.

EXAMPLE: Optionholder received 100 options to acquire QSBS from Company A on January 1, 2004. On December 31, 2004, Optionholder exercises his 100 options and receives 100 shares of Company A QSBS. Optionholder's holding period for his QSBS begins on December 31, 2004 (as it will for most other tax purposes).

(3) Original Issuance Acquisition — Shareholders must have acquired the stock at its original issuance for cash, property, services or other QSBS directly from the corporation or through an underwriter. Stock purchased from a third party, such as an existing shareholder, even if part of a secondary offering, is not eligible for QSBS treatment. Stock received in exchange for non-QSBS is not eligible for any QSBS tax benefits. A taxpayer who has received his QSBS by gift or inheritance or as a distribution from an LLC/partnership will be treated as having acquired the stock in the same manner as the previous owner. If QSBS is held by a pass-through entity, the partner/member/shareholder must have held his interest in the pass-through entity for the entity's entire holding period of the QSBS to be eligible for any QSBS tax benefits.

NOTE: An S corporation that becomes a C corporation cannot convert its previously issued S corporation stock into QSBS, but an LLC/partnership that incorporates can issue QSBS to its former members/partners if the corporation meets the Issuer Requirements at the time of incorporation.

(4) Redemption from Shareholder or Related Party — A shareholder's QSBS loses its QSBS status if, at any time during the four-year period beginning on the date two years before the issuance of such stock, the issuing corporation purchases more than a *de minimis* amount of stock from the shareholder or from a person related to the shareholder.

TAX BENEFITS OF SECTION 1244 STOCK

Q/ What are the tax advantages of issuing Section 1244 stock?

Eligible shareholders of Section 1244 stock may treat a loss on the stock as an ordinary loss instead of a capital loss. Ordinary losses are not subject to the $3,000 annual limit imposed on net capital losses and do not offset long-term capital gains. Thus, an eligible shareholder who incurs a loss on Section 1244 stock may receive a tax benefit from the loss sooner, or as a deduction against more highly taxed income, than a similarly-situated shareholder who incurs a capital loss on non-Section 1244 stock.

Q/ Are there any limitations on Section 1244 stock benefits?

Yes. The maximum amount that an individual may deduct as an ordinary loss with respect to Section 1244 stock in any taxable year is $50,000, or $100,000 for married individuals filing a joint tax return. Also, if property with a built-in loss is contributed to the corporation in exchange for Section 1244 stock, the basis of the Section 1244 stock will generally be equal to the fair market value of the property.

Q/ Who are eligible shareholders that can benefit from the preferential tax treatment of Section 1244 stock?

An eligible shareholder includes (1) an individual to whom Section 1244 stock is issued by a small business corporation (defined below) and (2) an individual who is a partner in a partnership (including LLCs treated as partnerships for tax purposes) at the time the partnership acquires the Section 1244 stock in an issuance from a small business corporation. An individual who is a partner in a partnership must also remain a partner until the partnership incurs the loss on the Section 1244 stock. Such individual's share of the partnership loss on Section 1244 stock is limited to the lesser of the partner's interest in the partnership at the time the stock is issued or at the time the loss is sustained.

Q/ What other shareholder limitations apply to Section 1244 stock?

A corporation, trust or estate is not entitled to ordinary loss treatment on Section 1244 stock regardless of how the stock was acquired. An individual who acquires stock from a shareholder by purchase, gift, devise or any other manner is not entitled to ordinary loss treatment on Section 1244 stock. Thus, ordinary loss treatment is not available to an individual partner to whom the Section 1244 stock is distributed by a partnership.

REQUIREMENTS FOR SECTION 1244 STOCK STATUS

Q/ What are the requirements for Section 1244 stock status?

For stock to qualify as Section 1244 stock, it must be stock of a domestic corporation (including preferred stock) and meet the following requirements:

(1) The stock must be issued to the stockholder in exchange for money or other property but not stock or securities.

(2) At the time the stock is issued, the issuing corporation must be a small business corporation.

(3) During the preceding five years (or shorter period if the corporation has not been in existence for five years), the issuing corporation must have had no net income or must have derived more than 50 percent of its aggregate gross receipts from sources other than royalties, rents, dividends, interest, annuities, and gains from the sale or exchange of stocks or securities.

Q/ What is a small business corporation?

A corporation is a small business corporation if the aggregate amount of money and other property received by the corporation for stock, as a contribution to capital and as paid-in surplus, does not exceed $1,000,000.

NOTE A small business corporation should not be confused with a Subchapter S Corporation or a qualified small business eligible to issue QSBS.

Q/ How are a corporation's assets valued for purposes of the aggregate contributions test?

The assets of the issuing corporation are valued at their adjusted basis to the corporation, and this amount is reduced by the amount of any liability assumed by the corporation at the time the property is received. The figure is determined at the time the stock is issued and includes amounts received for the stock issued as well as any other amounts for the stock that was previously issued.

NOTE: Once a corporation issues Section 1244 stock, the stock will continue to qualify as Section 1244 stock. A corporation may increase its size without causing its already-issued Section 1244 stock to lose its status as such, but the corporation will not be able to issue any additional Section 1244 stock.

O'Melveny & Myers LLP Worldwide

Beijing
31/F, China World Tower One
No. 1 Jianguomenwai Avenue
Beijing 100004
People's Republic of China
011-8610-6505-0920

Brussels
Blue Tower
Avenue Louise 326
1050 Brussels, Belgium
011-32-2-642-4100

Century City
1999 Avenue of the Stars
Los Angeles, CA 90067
(310) 553-6700

Hong Kong
31st Floor, AIG Tower
1 Connaught Road Central
Hong Kong, S.A.R.
011-852-2523-8266

London
Warwick Court
5 Paternoster Square
London EC4M 7DX, England
011-44-20-7088-0000

Los Angeles
400 South Hope Street
Los Angeles, CA 90071
(213) 430-6000

Newport Beach
610 Newport Center Drive
Newport Beach, CA 92660
(949) 760-9600

New York
Times Square Tower
7 Times Square
New York, NY 10036
(212) 326-2000

San Francisco
Embarcadero Center West
275 Battery Street
San Francisco, CA 94111
(415) 984-8700

Shanghai
Plaza 66, 37th Floor
1266 Nanjing Road West
Shanghai 200040
People's Republic of China
011-86-21-2307-7000

Silicon Valley
2765 Sand Hill Road
Menlo Park, CA 94025
(650) 473-2600

Tokyo
Meiji Yasuda Seimei Building
11th floor
2-1-1, Marunouchi
Chiyoda-ku,
Tokyo 100-0005, Japan
011-81-3-5293-2700

Washington, D.C.
1625 Eye Street, NW
Washington, DC 20006
(202) 383-5300

www.omm.com

O'Melveny & Myers LLP