

PART FOUR
PROFESSIONAL RESPONSIBILITY
(24 Minutes)

Question PR-1. (4 minutes)

A devised a transaction designed to save federal income taxes and convinced XYZ Corporation to enter into the transaction. A prepared all the documentation for the transaction. XYZ subsequently was audited and received a notice of deficiency, which it intends to contest in Tax Court.

- (a) Can A represent XYZ in this proceeding? Briefly explain.
- (b) Does the answer to (a) change if XYZ corporation consents to A's representation? If so, why?

Question PR-2. (4 minutes)

In a Tax Court proceeding, it will be necessary to call B as a witness to testify about certain corporate actions taken by Widget Corp.

- (a) Can B represent Widget Corp. in this proceeding? Briefly explain.
- (b) Does the answer to (a) change if Widget Corp. consents? If so, why?
- (c) Could another partner in B's firm represent Widget Corp.? If so, why?

Question PR-3. (4 minutes)

C represented Husband and Wife in the audit of a return they filed jointly. Subsequent to the receipt of a notice of deficiency, H and W divorced. W now claims she has no knowledge of the items of gross income that the IRS asserts that H received and failed to report.

- (a) Can C continue to represent H and W in a Tax Court proceeding with respect to this return?
- (b) Does the answer to (a) change if H or W consents to the joint representation? If so, why?

Question PR-4. (4 minutes)

D, a member of the DEF firm, represents Paper Co. in an antitrust matter against Pen Co. Pen Co. has requested E, another member of the DEF firm, to represent it in Tax Court litigation.

- (a) Can E accept the representation? Briefly explain.
- (b) Does the answer to (a) change if D's representation of Paper Co. ended two years ago?

Question PR-5. (4 minutes)

F represents X in Tax Court litigation that would be appealed to the Sixth Circuit. After submitting the brief on behalf of X, F discovers a decision of the Sixth Circuit that is directly contrary to X's position in this matter. The government's brief does not mention the case.

- (a) What action, if any, must F take?
- (b) Does the answer change if the decision was handed down by the Eighth Circuit?

Question PR-6. (4 minutes)

G represents Box Co. in Tax Court litigation. G learns that the government has contacted employees of Box Co. who have information relevant to the litigation without notifying G.

- (a) On what grounds could G object?
- (b) Does the answer to (a) change if the government contacts former employees?