

## For Immediate Release

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## Top 10 Corporate Actions of 2009 Shed Light on Biggest Tax Challenges

WALTHAM, Mass. – Jan. 14, 2010 – Just in time for tax season, [Wolters Kluwer Financial Services](#) has unveiled its annual Top 10 Corporate Actions, a list of the most challenging corporate actions from the past year.

The list is compiled by the tax and legal experts at [Capital Changes](#), part of Wolters Kluwer Financial Services that provides U.S. and international corporate action reporting, tax information and analysis. Each year, the list highlights corporate actions from the past year that had complex or unusual tax consequences, or raised difficult issues for a large number of investors.

Capital Changes' experts say the financial crisis definitely had an impact on corporate activity in 2009. For example, the urgent need for companies to raise capital led to an increase in rights offerings, which allow existing shareholders to buy additional shares for a limited time, usually at a discounted price.

"Since early last year, we've seen an uptick in the number of complex rights offerings and restructurings by major companies," said John Kareken, senior analyst for Capital Changes. "Many investors will likely have tax issues due to the sheer number of companies raising and restructuring capital and trying to work out debt obligations."

The Top 10 List also draws attention to corporate actions that require shareholders to adjust the basis of their shares. According to Richard Ryndak, senior product manager for Capital Changes, the initial cost of a security, or its basis, may need to be adjusted for a variety of reasons over its holding period, including as the result of a corporate action. Investors, and the firms that serve them, need to be aware of when these adjustments are required and how to calculate them accurately.

"Basis tracking has long been the law," said Ryndak, "but with the [cost basis reporting](#) legislation scheduled to take effect next year for the brokerage community, the stakes will be higher. Investment firms that issue shareholder statements will need to keep accurate basis records and be able to support the adjustments they make."

The Top 10 List for 2009 was selected based on criteria such as how unique a transaction was, how widely held the affected security was, and how complex the tax issues were. Here are the companies whose corporate actions topped the year:

### Top U.S. Transactions

1. Schering-Plough Corp./Merck & Co., Inc.
2. Walter Industries, Inc.
3. Wyeth/Pfizer, Inc.
4. Time Warner, Inc.
5. Tim Hortons, Inc.

### **Top International Transactions**

1. Banco Santander SA
2. Brasil Telecom Participacoes SA
3. Rio Tinto plc/Rio Tinto Ltd.
4. Pengrowth Energy Trust
5. Orezone Resources, Inc.

Details about each corporate action and why it was selected for this year's list will be unveiled during Capital Changes' "Top 10 Most Challenging Corporate Actions of 2009" webinar Thursday, Jan. 21, 2010. To register, visit: <https://www.wolterskluwerfs.com/cap/>.

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