

Spotlight on Davis Wright Tremaine

Pat Green Helps Family Businesses Thrive

When we think of family-owned businesses, we might envision the corner grocery store or a local pizzeria. The truth is that about 90 percent of businesses in the United States are family-owned, including companies like Portland's iconic Powell's Books and the world's largest revenue producing company, Walmart.

Pat Green, who heads the family business practice group at Davis Wright Tremaine's Portland office, knows as much about the challenges faced by family businesses as just about anyone. He has spent most of his 40-year career as a lawyer seeing how such businesses function, and helping them meet their needs as they thrive locally, grow nationally and are passed down through the generations.

Focus on Professionals

Green, who attended the University of Oregon as both an undergraduate and a law student, got his start as a tax lawyer after attending the University of Miami Law School's Tax Program. He began his career focusing on professionals, such as physicians, dentists and CPAs.

"Back when I started, in the late '70s and early '80s, the tax law was incredibly favorable to incorporating," he says. "So I incorporated over 125 professional corporations and set up over 200 retirement plans. I got really great training in business practice and working collaboratively with other professionals."

"But about midway through my practice, a lot of these physician practices began to merge into large group practices for economic reasons," says Green. "As a result, I kind of merged myself out of my practice. I had a choice: I could either learn a whole lot of health-care law, which was not tax law or business law, or I could retool."

He chose the latter course, with the help of his partners at Davis Wright Tremaine, and began to focus on business owners and their families.

"I had developed quite a few of those relationships along the way, and done quite a number of mergers and acquisitions," he says. "I could see that these family business owners were really good at making decisions and making them fairly quickly."

With family businesses, one of the key decisions is what to do when the generation that has been running the business is ready to retire.

"With my tax background, I could help them determine how the business should be passed down to the next generation, or if the best growth and exit strategy would be to eventually sell the business," Green says. "That involves a lot of pre-liquidity planning, oftentimes moving interests in the business to other jurisdictions, such as placing stock in trusts in Washington or in Delaware, which have favorable tax laws."



Staying Local

A lawyer, of course, has a professional obligation to do what is best for the client. At the same time, Green and many of his clients are dedicated to Portland and other Oregon communities, and want to do their best to keep the companies at home without damaging their bottom line.

"I have really come to realize that I like to keep those people here in Oregon if we can," he says, "and so we do a lot of planning. And oftentimes that includes charitable planning, with a portion of the sale of stock going into charitable trusts and so forth, which are often a good interim plan for people to reduce their taxes. And also to do good with a portion of their success."

"For those who decide not to sell, they go through the business succession process," he says. "It's a matter of really looking at minimizing the transitional costs between generation one, generation two and generation three."

Educational Programs

One way Green and his colleagues at Davis Wright Tremaine have helped pass on the lessons they've learned about family business transitions is through sponsorship of the Austin Family Business Program at Oregon State University.

The firm's work with the Oregon State program has led to the creation of the Family Business Legacy Program, which helps businesses learn from their peers. Another program, the Family Business Study Group, sponsored by DWT, Perkins & Co. and Pacific Family Business Institute, consists of advisors such as lawyers, accountants, investment counselors and bank trust officers.

Green's involvement in the Portland community extends beyond the family business world. He's on the executive and development committees of both the Portland Art Museum and the Oregon Health and Science University Foundation. At OHSU, he worked to raise funds to match Nike's Phil and Penny Knight's challenge grant of \$500 million for the Knight Cancer Institute, inspiring more than 10,000 individual and corporate donors to match their contribution.

"I've been on that board for 16 years, and I can't think of anything more satisfying to assist with such fine causes and people," says Green.