

BWM&S

BURKE, WARREN, MACKEY & SERRITELLA, P.C.

NOVEMBER 2002

BWM&S BULLETIN

VOLUME 1 • ISSUE 1

ESTATE PLANNING

THREE GENERATIONS AND COUNTING

In 1958, brothers Bert and Glenn Keats chose to forgo steady paychecks for the potential freedom and fortune of running their own company. They just could not see themselves working for anybody else. And they still don't.

44 years later, Keats Manufacturing employs nearly 160 people with operations in Wheeling, Illinois and El Paso, Texas. With business partners including Delphi auto parts, First Alert smoke detectors, and Chamberlain garage door openers, products from the precision parts manufacturer can be found in millions of American homes.

"Bert and Glenn created an atmosphere here that is a big part in our success today," said Wade Keats, Keats Manufacturing president and son of founder Bert Keats. "Keats is a great place to work for our family and for the other families that call Keats home." According to Wade, "Back when my brother and I considered joining the company, we were made aware of one very important rule. If we hoped to be an owner of the company someday, we had to go to work. And we did." Wade's brother Matt Keats is president of Keats Southwest located in El Paso.

More recent efforts have been focused on keeping the company going and growing. The goal was established to keep the family at the helm, which put pressure on succession planning. "We needed to keep assets working for the company by minimizing succession taxes," said Wade. "To accomplish our goal, family members worked with



(L-R) Glenn Keats, Matt Eggmeyer, Wade Keats, and Bert Keats.

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IN THE DECEMBER ISSUE OF THE BULLETIN

- Your year-end estate planning 'to do' list
- BWM&S pro bono efforts assist Winnetka landmark
- Tax strategies and ideas — what you need to do now
- ...and more

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AUTO DEALER CONSOLIDATION IS STILL THE EXCEPTION

REAL ESTATE

AUTO DEALER

AutoNation



The automobile dealer industry has historically been fragmented with most operators owning one or two dealerships. Despite the introduction of large interstate auto dealer groups in the last decade, the industry continues to be characterized, as always, by sole proprietors and family owned businesses. According to Bill Kelly, author of the Illinois Motor Vehicle Franchise Act, the current climate of the industry continues as one of “fierce competition, fast-paced business planning and high franchisee turnover rates.”

Recently, in separate transactions, attorneys at BWM&S



Bill Kelly

Doug Wambach

assisted a Chicagoland based dealer sell all seven of his franchises to the largest auto dealer group in the nation and assisted the nation’s number three auto dealer group with the acquisition of sixteen dealerships located in seven states.

In February 2002, Bill Kelly and others at BWM&S provided the legal expertise to facilitate the sale of client Laurel Motors’ seven franchises to AutoNation, the country’s largest auto dealer group. Laurel Motors owned Mercedes, Jaguar and VW dealerships in the Southwest suburbs of Chicago. As part of the

transaction, BWM&S provided corporate, real estate and tax services along with general strategic business planning.

In March of 2002, Doug Wambach and others at BWM&S serviced the real estate needs of client Sonic Automotive Inc., a publicly traded auto dealer group based in North Carolina, in acquiring all of the Don Massey Cadillac dealerships. The real estate portion of the deal was structured as a sale/leaseback with a real estate investment trust purchasing the real estate used in connection with the dealerships and then leasing the properties back to Sonic.

Please direct questions or comments to **Bill Kelly** 312/840-7061 or **Doug Wambach** 312/840-7019 or your BWM&S attorney. **B**

EVENT PLANNED TO ADDRESS CLERGY MISCONDUCT FOR RELIGIOUS NOT-FOR-PROFIT INSTITUTIONS

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Attorneys at BWM&S have long experience in providing consultation with respect to occasions of serious personal misconduct on the part of clergy, religious and other personnel. They wish to share information on developing practices not only in the legal area, but also with respect to mental health, community relations, public relations, and insurance. To this end, they are working to pull together a group of experts in these fields to participate in a seminar that will take place in February in Chicago. Additional information will be presented in the next edition of this newsletter. Please direct questions or comments to Jim Serritella at jserritella@burkelaw.com. **B**

BURKE JOINS FIFTH THIRD BOARD

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Richard W. Burke

As previously reported in *Crain's Chicago Business*, BWM&S's Richard W. Burke, was appointed to the board of directors of Fifth Third Bank, Chicago. He will also serve on the board's executive committee.

The board, headed by Fifth Third Bank, Chicago's president and CEO Bradlee F. Stamper, now

includes 10 outside directors who advise the bank on strategy and policy issues. Burke leads a legal practice that

offers counsel on various business organization and operational issues. In the past, he has served as a director of banks and a bank holding company. His expertise also includes representing and advising municipalities concerning land use, zoning and development, and financial structuring.

An active leader in the community, Burke serves on the board of the St. Mary of the Lake/Mundelein Seminary and is the past president and remains a director of Catholic Charities.

Fifth Third Bank, Chicago has \$8 billion in assets, \$7.5 billion in deposits and 400,000 customers in Northern Illinois and Northwest Indiana. It operates four major businesses: Retail, Commercial, Investment Advisors and Consumer Lending through 118 locations. **B**

NEW ILLINOIS LAWS ON CHILD ABUSE

NON-PROFIT/RELIGION/EDUCATION

The Abused and Neglected Child Reporting Act was amended effective August 16, 2002. This amendment adds members of the clergy to the list of people who are required to report to the Illinois Department of Children and Family Services ("DCFS") whenever they have reasonable cause to believe that a child known to them in their professional capacity may be sexually abused. Unlike other mandated reporters, such as teachers and physicians, clergy are only obligated to report on sexual abuse, not other kinds of abuse. Moreover, although they are now required reporters, clergy are not required to "disclose a confession or admission made to [them] or in [their] professional character or as a spiritual advisor in the course of the discipline enjoined by

the rules or practices of such religious body or of the religion which [they] profess, nor be compelled to divulge any information which has been obtained by [them] in such professional character or as such spiritual advisor." The new legislation also extends the statute of limitations for prosecution for failure to report so that a prosecution can occur up to ten years after the child victim attains 18 years of age.

Employers should also note that all mandated reporters, including members of the clergy, who have been hired since July 1, 1986, must sign a statement on a form prescribed by DCFS acknowledging the employee's reporting responsibilities.

The new legislation also extends the statute of limitations for prosecution of certain sex crimes until ten years after the child victim becomes 18 years old. **B**

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THREE GENERATIONS AND COUNTING

(BWM&S's) Karen MacKay over a period of several years to transform the business and minimize transfer tax consequences."

With a third Keats generation member, Matt Eggemeyer — grandson of Glenn — as VP of operations, and Bert and Glenn still active, three generations of Keats give the company a competitive advantage. To find out more, visit the Keats Manufacturing website (www.keatsmfg.com) or contact Karen MacKay at 312/840-7009. **B**

AROUND THE FIRM



Kimberly A. Smith

BWM&S welcomes Kimberly A. Smith as an associate in its litigation practice.

Ms. Smith received her B.A. degree with high distinction from Indiana University in 1999. As an undergraduate, she worked at the

National Opinion Research Center at the University of Chicago and then followed other family members in the pursuit of law at Indiana University School of Law where she recently graduated with a J.D. degree, cum laude.

Ms. Smith was a Notes Editor for the Indiana Law Journal as well as co-director of the Inmate Legal Assistance Clinic.

Ms Smith has had a journal note published, "Conceivable Sterilization: The Norplant/Depo-Provera Welfare Condition," 77 IND. L.J. 389 (2002), and has recently finished writing a paper on the Supreme Court's 2002 decision in *Atkins v. Virginia* to exempt mentally retarded criminals from the death penalty.

According to Ms. Smith, she chose law as her profession because of her fascination with our continuously evolving society and legal system as well as the role attorneys play in ensuring litigants have an opportunity to be heard.

The 2001 summer associate chose BWM&S because; "The firm offered me hands on experience in complex, interesting cases. The friendly, family-like atmosphere here is also very important to me." **B**



Joseph E. Meiers

Joseph E. Meiers joins BWM&S as an associate in the firm's real estate and corporate practices. Born and raised in Ann Arbor, Michigan, Mr. Meiers is a 1995 graduate from the University of Michigan with a Bachelor of Business

Administration. He worked as a paralegal and a title abstractor/examiner before beginning his studies at the University of Wisconsin Law School in Madison, Wisconsin where he recently graduated cum laude. As part of his clinical course work, Meiers participated in the Legal Assistance to Institutionalized Persons Project and the Criminal Appeals Project. He also served as Vice President - Evans on the Moot Court Executive Board.

"I chose a career in law because I identified with its moral and ethical framework," said Meiers. Augmenting his study of law, he has been active with such groups as Families Against Mandatory Minimums. He has also lobbied the Michigan state legislature to "restore judicial integrity to the sentencing of non-violent drug offenders."

"BWM&S offered me the combination of professionalism, prestige, and environment," said Meiers. "The firm brings all of the excitement and fun of practicing law down to a manageable yet challenging level in an atmosphere of congeniality and support. The strong retention rate and overall positive attitude of the lawyers at Burke Warren is another reason why I am excited to be part of this group of professionals." **B**

The Bulletin is written by the firm of Burke, Warren, MacKay & Serritella, P.C. to keep clients and friends current on developments in the law and the firm that might affect their business or personal lives. This publication is intended as a general discussion and should not be construed as legal advice or legal opinion on any specific facts or circumstances. It is meant as general information only. Consult an attorney with any specific questions. This is a promotional publication. © 2001, 2002 Editor: Cy H. Griffith, Director of Marketing

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