



## Lona J. Valentine

Partner

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Lona concentrates her practice in the area of public finance tax and financial analysis, overseeing the related arbitrage rebate practice and providing guidance on federal tax topics related to all tax-favored bond financings for governmental and conduit clients.

She has worked on a wide variety of municipal financing transactions including projects for traditional governmental infrastructure, hospital expansion, continuing care retirement communities, cultural facilities, small issue manufacturing and exempt facilities. Lona works with issuers and conduit borrowers to address all of the federal tax issues from the inception of a financing throughout the entire term of the financing and has a wide array of experience in refundings, derivative products, multipurpose allocations and private use analyses.

Additionally, she has acted as special tax counsel to issuers and conduit borrowers in IRS compliance initiatives, IRS bond audits and IRS Voluntary Closing Agreement Program (VCAP) Requests.

Lona has served as a panelist for a tax due diligence and documentation workshop at the annual National Association of Bond Lawyers' Bond Attorneys Workshop. In addition, she is frequently called on to speak at various seminars on IRS arbitrage rebate compliance, private activity tests and post-bond issuance compliance.

Prior to the practice of law, she served as a certified internal auditor for a large publicly traded corporation.

### Services

- Public Finance
- Tax Compliance and Audit

### Education

- University of Kentucky College of Law (J.D., 2000)
  - Kentucky Law Journal, articles editor (1999 - 2000), staff member (1998 - 1999)
  - J. Oexmann Criminal Law Award for "Is the Recent Expansion of Federal Corporate Criminal Liability Justified?" (1999)
- University of Kentucky (M.B.A., *magna cum laude*, 1995)

- Bellarmine University (B.S., *magna cum laude*, 1994)

## Bar Admissions

- Ohio
- Kentucky

## Affiliations/Memberships

- Certified Arbitrator, Council of Better Business Bureaus
- National Association of Bond Lawyers
- American Bar Association
- Ohio State Bar Association
- Cincinnati Bar Association
- Cincinnati Academy of Leadership for Lawyers (2007)
- Tri-County Economic Development Corporation (Northern Kentucky Tri-ED) Finance & Audit Committee.

## Distinctions

- Rising Star recognition from *Cincinnati Law and Politics Magazine* (2005-2006, 2009)
- American College of Bond Counsel Fellow

# Experience

## Bond Counsel for \$1.16 Billion Health Care Financing

We served as bond counsel for Bon Secours Mercy Health, Inc., one of the nation's 20 largest health care systems, with respect to the issuance of several series of bonds totaling \$1.16 billion in aggregate principal amount. As bond counsel, we assisted with each step of the financing process, which involved the public offering of municipal tax-exempt and corporate taxable bonds involving issuers in three states. The bonds were issued in April of 2020 and enabled the financing or refinancing of health care facilities in Ohio, South Carolina, and Virginia while also contributing to the re-opening of the capital markets for health care borrowers during the COVID-19 pandemic. These combined bond deals were selected by *The Bond Buyer* as its 2020 Deal of the Year in the Health Care Financing Category.

## IRS Letter Ruling gives school district extra time to spend bond proceeds

We obtained an IRS Private Letter Ruling to allow a public school district an extension to spend qualified school construction bond proceeds. The school would have had to spend the tax advantaged bond proceeds within three years, but the Letter Ruling allowed the district additional time to spend the bond proceeds due to unforeseen circumstances outside of the school district's control.

## \$30.4 million bond used to renovate building at state university

We acted as bond counsel for a public university for the first issue of Green Bonds by a public university in the nation. The proceeds were used to fund a portion of the renovation of a building.

#### **\$91.4 million two series of bonds used to renovate public university's football stadium**

We acted as bond counsel for a public university for two issues, the proceeds of which were used to renovate the university's football stadium. We worked with the University Architect's office, internal tax counsellors, Athletic Department and Foundation to determine which parts of the project could be financed on a tax-exempt basis and which had to be financed on a taxable basis.

#### **Borrower's Counsel to private university for refunding issues**

We acted as Borrower's counsel to a private university for three refunding issues of the State of Ohio, two of which were privately placed and one of which was sold publicly. We assisted the university with matters concerning existing swap agreements, financial covenants, continuing disclosure issues and real estate matters.

#### **Falling interest rates lead to Arbitrage Rebate recovery overpayment for city**

We were able to request and obtain from the IRS recovery of an arbitrage rebate overpayment for a city. Due to interest rates falling, we were able to request and recover approximately \$100,000 of a rebate overpayment from the IRS.

#### **Over 150 Arbitrage Rebate Calculations Annually**

We perform over 150 arbitrage rebate calculations annually for virtually all types of tax-advantaged bonds.

#### **Special Tax Counsel for Tax Advantaged Bonds**

We have vast experience as special counsel in IRS audits of tax advantaged bonds.

#### **Arbitrage Rebate Counsel for virtually every type of tax-exempt bond financing**

Arbitrage Rebate Counsel for virtually every type of tax-exempt bond financing

#### **Served as a thought leader for shaping the firm's IRS Circular 230 strategy**

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#### **Special counsel to 501(c)(3) entities in completing Schedule K of the IRS Form 990**

Special counsel to 501(c)(3) entities in completing Schedule K of the IRS Form 990

#### **Special tax counsel to issuers and conduit borrowers in IRS bond audits**

Special tax counsel to issuers and conduit borrowers in IRS bond audits

#### **Special tax counsel to issuers and conduit borrowers IRS Voluntary Closing Agreement Program (VCAP) Requests**

Special tax counsel to issuers and conduit borrowers IRS Voluntary Closing Agreement Program (VCAP) Requests

## **Publications**

April 7, 2020

#### **Tax-Exempt Debt Payment Deferrals For Municipal Securities**

April 9, 2019

**IRS Clarifies General Public Use Requirements for Residential Rental Projects Financed by Tax-Exempt Bonds**

March 27, 2019

**Updated TEFRA Approval Process Effective April 1**

March 20, 2018

**Interest rate changes may cause loss of tax exemption for tax-exempt obligations**