Schuyler
Roche
Crisham
ATTORNEYS

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John J. Pembroke

OF COUNSEL

A tax and transactional attorney since 1979, John Pembroke draws on a wealth of experience in serving corporate and individual clients, obviously comfortable in mastering and managing a large body of rules. Centering his practice on taxation and estate and business planning, he has earned over the course of his career a reputation for resolving seemingly intractable controversies by applying novel solutions. John's financial background adds an important dimension to his work in organizing and structuring new businesses, acquisitions, joint ventures, contracts, informal workouts, shareholder disputes and minority buyouts. A licensed certified public accountant for more than 30 years, John has acted on occasion as interim chief financial officer for startups. His accounting background provides him an invaluable perspective when advising on tax, business and financial planning and related matters, either independently or as part of a client's financial planning team. He enjoys helping clients to prepare their gift, estate and income tax returns, both state and federal, and to better plan for optimizing their tax burden.

Of law John says, "I continue to enjoy its intellectual challenge and the notion that each day, clients have pressing issues demanding attention." He takes pleasure in applying the rule of law in a practical manner, striving to give each client an edge or the right answer.

CONTACT INFO

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PRACTICE AREAS

Closely Held Businesses and Startups

Corporate and Personal Taxation

Estate Planning and Administration

Trusts

Estate and Transfer Taxation

Wealth and Health Planning

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Following brief bouts in business management and accounting, law is his third career. He passed his CPA exam on his first attempt while still a student, and ran his own tax practice during law school, when he conducted an audit for a founding member of the Chicago Mercantile Exchange. Nominated for a Wigmore Scholarship, awarded annually to the graduating student most exemplifying the ideals of Northwestern University's school of law, John served as social chair while there.

"I've respected the lawyers at Schuyler, Roche & Crisham," John says, "as long as I've known them, which for many dates to 1980." Sixteen months out of law school, following a stint on the audit trail, he joined a predecessor of Schuyler, Roche & Crisham, becoming a shareholder eight years later. As Schuyler, Roche & Crisham's senior income tax attorney and during his first decade with us, he assisted with domestic and international tax planning for a key client's expansion into Europe. He also worked on two tax cases that made the front page of more than one business journal, and consulted on the financial aspects of what was then the longest arbitration in the history of Cook County.

In any particular year, John worked with the majority of attorneys in Schuyler, Roche & Crisham on a wide variety of business and personal matters, applying his skills to mergers, acquisitions, leases, vendor agreements, commercial contracts, bankruptcy, informal workouts, lawsuits involving various financial controversies, expert witness preparation and case settlement, including how best to structure each for tax and non-tax reasons. He also dealt with a broad spectrum of personal matters, including estate planning, divorce, prenuptial agreements, personal financial planning, bankruptcy, residential sales and purchases, personal income tax returns and tax controversies.

Eventually self-employment became a powerful lure, and John started his own law firm. Now of counsel and happily reconnected with Schuyler, Roche & Crisham after 14 years, he represents clients on both personal and business legal matters.

A lifelong resident of Illinois, widely traveled, John believes "one of the best places to pursue career and family goals is right here in Cook County, Illinois." Gregarious and personable, he recently ran in the Democratic primary for the Tenth Judicial Cook County Subcircuit vacancy. In a field of meritorious candidates, he did not win, but from the experience gained incomparable exposure to a realm of government unknown to most and participated in a civics lesson few attorneys experience. In endorsing John, longtime client Adlai E. Stevenson III, U.S. Senator from Illinois, said: "I have known John Pembroke

EXPERIENCE

Schuyler, Roche & Crisham, P.C.*
Chicago, Illinois

Of Counsel
2006 to Present

John J. Pembroke & Associates, LLC*
Park Ridge, Illinois

Shareholder
1991 to 2006

Schuyler, Roche & Crisham, P.C.*
Chicago, Illinois

Partner and Shareholder
1988 to 1991

Associate
1980 to 1988

Arthur Young and Company
Chicago, Illinois

Tax Department
1979 to 1980

Coopers and Lybrand
Chicago, Illinois

Auditor
1975 to 1976

**And predecessor.*

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as a lawyer and accountant for 14 years. He has a solid record as a professional, undoubted integrity and an agreeable personality and demeanor. Based on my lengthy experience with John, he is a public-spirited citizen who would make a fine Judge of the Cook County Circuit Court."

Married with two young children, John is committed to local education and to his own edification. He has taken dozens of continuing education classes over the years, both in law and taxation, often up to 40 hours a year. Beginning in 1999, John pursued various insurance agent licenses and took seminars on securities law and related subjects, culminating in certification as a personal financial specialist (PFS) in 2002. This designation is equivalent to a certified financial planner (CFP), but available only to licensed CPAs; it qualifies each bearer to Illinois licensing as an investment advisor representative.

AREAS OF PRACTICE

Estate planning, trust formation, income taxation and corporate transactions remain the bedrock of John's practice. He is highly experienced in shepherding a startup through its initial investment and later expansion, in treating ownership of that business as the principal asset of the client's estate and in managing the inevitable tax ramifications during each stage—not exactly one-stop shopping, but close. John eliminates the often confusing and expensive result of having to hire multiple counselors to advise on corporate law, business and individual taxation and estate and financial planning.

Counseling individuals, as well as businesses in all of their life cycles, from startups to large companies, John draws on his broad background to advise clients and draft all necessary documents, plan for business succession and/or generation skipping and structure closely held businesses to minimize estate taxes. His areas of expertise also include:

- financial planning
- will and trust preparation
- probate
- business planning and incorporation
- state and federal income tax planning and return preparation
- auditing and other tax controversies
- corporate/shareholder issues
- business and employment contracts

EDUCATION AND DISTINCTIONS

J.D., Northwestern University School of Law, Dean's list (1977), Wigmore Scholar nominee, social committee chair, Evanston, Illinois, 1979.

B.S. with Honors and Distinction in Accounting, Beta Gamma Sigma, University of Illinois at Chicago, 1975.

Investment Advisor Representative, since 2003.

Personal Financial Specialist, since 2002.

Insurance Producer Licensee, since 1999.

Certified Public Accountant, since 1976.

St. Ignatius College Prep, Honors Diploma, Chicago, Illinois, 1968.

Scholarship recipient, Jewel Food Stores, 1968.

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- real estate law, closings and leases
- complex financial litigation and support
- general business law.

ACHIEVEMENTS

Of his accomplishments, John cites the constancy of his clients: "Perhaps they remain loyal because they value my judgment, which over time has proven its worth to them. An attorney must predict, without knowing all the facts and evidence a trial might produce, what the likely result will be if a matter is litigated vigorously to a conclusion, exhausting all appeals." Fortunately, in such circumstances over the course of his career, John has proven materially correct in all significant matters resulting in litigation. These include:

- an IRS tax appeal of a $10 million issue on foreign currency and price adjustments
- the purchase of a business for $8 million after John assisted in litigating a TRO and preliminary injunction
- a damage claim against a major financial planner, the award of which, two weeks after taking the case, John calculated would be $475,000, which proved close to the mark years later when the Seventh Circuit Court of Appeals awarded $482,000
- the sale of a business interest following litigation, where John initially assessed the client's sale income would range from $1.25 million to $1.5 million; a near bull's-eye, the case settled following a successful but unusual motion for summary judgment of $1.175 million.

When still at Schuyler, Roche & Crisham, John had the opportunity to participate in several significant cases, one of which—*Oddi v. Ayco*—made new law in Illinois. It was among the earliest cases nationwide in which a law firm, in this case Schuyler, Roche & Crisham, succeeded in persuading a court that adverse tax consequences resulting from a financial planner's bad advice are recoverable. After the Seventh Circuit Court published its opinion favoring our client, the *Wall Street Journal* announced the win on its front page.

John also contributed to a case reported on the front page of the *Daily Tax Reporter* of the Bureau of National Affairs. In *George F. Harding Museum v. United States of America*, Schuyler, Roche & Crisham defeated a $30 million jeopardy assessment the IRS had made against the assets of the museum. In a related case—*People of the State of*

PEER RECOGNITION

Martindale-Hubbell, "peer review rated for ethical standards and legal ability," since 1992.

BAR AND COURT ADMISSIONS

Illinois, 1979

United States District Court for the Northern District of Illinois, General Bar, 1979

United States District Court of Appeals for the Seventh Circuit, 1980

United States Tax Court, 1981

United States Claims Court, 1986

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Illinois ex rel. William J. Scott v. Herman Silverstein—then the longest open case on the docket of the Illinois Attorney General—the AG's office was on the verge of settling when the IRS intervened with a novel use of its power to make jeopardy assessments in an attempt to seize a charity's assets for its own benefit and to short-circuit the settlement. The judge in the state case, the Honorable Albert Green, then hired Schuyler, Roche & Crisham to defend against the jeopardy assessment, which Schuyler, Roche & Crisham succeeded in doing. For several years thereafter, attorneys from across the nation telephoned John seeking guidance; theretofore in criminal drug cases, the IRS commonly employed the remedy of a jeopardy assessment, which defense counsel rarely defeated.

Professional accomplishments aside, John cites his community service among his most satisfying achievements. For nearly 15 years he has served the Rotary Club of Park Ridge in many capacities, most recently as chair of its Make a Difference Scholarship Committee, which has granted $17,500 in scholarships to Park Ridge students during the last three years, affording them the opportunity to matriculate at the schools of their choice, which their circumstances might otherwise have prevented. John has been local Rotarian of the Year, chair of the Park Ridge club's main fundraiser three out of the last four years and top salesperson on another fundraiser three out of the last four years. In addition, he served as the club's treasurer for three years and its social chair for eight.

A telling insight into John is his pride in the Rotarians' Four Way Test, written in the 1940s by Chicago businessman Herb Taylor, who lived in Park Ridge not far from John's home:

- Is it the truth?
- Is it fair to all concerned?
- Will it build good will and better friendships?
- Will it be beneficial to all concerned?

"When I was introduced to the Four Way Test," John reflects, "I considered whether I could observe these principles in my law practice and concluded I could. I've learned over the years that they are valid for managing both business and personal relationships, and I observe and use these daily, including in my advice to clients."

If you seek an attorney possessing the values to which John Pembroke adheres and the unique set of skills he has acquired, we encourage you to contact him.

PROFESSIONAL MEMBERSHIP

Chicago Bar Association (Taxation Section)

American Bar Association (Taxation Section)

Illinois CPA Society

American Institute of Certified Public Accountants

CIVIC AFFILIATIONS

Rotary Club, Park Ridge, Illinois, 1993 to present; Fundraising Committee, chair, 2002, 2003, 2005 and 2006; Make a Difference Scholarship Committee, chair, 2003 to 2005; Park Ridge Rotarian of the Year, 2002 to 2003; Social Committee, chair,1993 to 1996 and 2002 to 2005; treasurer,1994 to 1997.

Junior Achievement, Mary Seat of Wisdom School, Park Ridge, Illinois, and Devonshire Grade School in Des Plaines, Illinois, first-grade instructor, 2005; Carpenter School, Park Ridge, Illinois, fifth-grade instructor, 2006.