TOPIC: A Career in Tax Accounting

SPEAKER:
- Ken Van Damme-partner and director at RPR Partners, LLC

About the Firm:
- He created firm in 2000 with partner
- Locally-based, but some overseas clients, east coast, most in San Diego
- “Boutique” style firm-Tax only firm serving real estate industry
  - No audit, review
- 95% real estate, 5% other
- 41 employees
- Nearest competitor is 1/3 the size

Clients:
- High net worth individuals and their family of companies with institutional quality real estate investments
- Typical net worth of clients:
  - $20-100 million
  - Highest is over $1 billion
- Tell them what they can do, can’t do, and any gray areas
- Job is to minimize taxes
- He is their advocate
- Clients are happy to see you, especially when you save them money on taxes

About Ken:
- SDSU alumni
  - Masters degree, early 90s
- Graduated from Western Michigan University in 1990
- Wanted to leave, so took a vacation to Orange County and fell in love with the city
- Member of student accounting society in Michigan
- Submitted resume but they lost it, never got to firms
- Started to call recruiters with business cards he got from the accounting society meetings, got first-round interviews
- Worked at Ernst & Young in San Diego
• Started in audit for 6 months, transferred to tax
• Worked 8 years in tax with a focus on real estate
  ▪ Left as senior manager on partner track
  ▪ Most of clients he enjoyed were not public, instead were high net-worth individuals
  ▪ Most of non-public clients followed him when he left
  ▪ He and his other firm partner, Bob, who had a similar story, began RPR Partners
  ▪ Some clients he has been serving for 23 years, since E&Y

➤ Internships:
  ▪ 3 interns right now
  ▪ Also summer internships
    ▪ After April 15th, will decide how many people they need

➤ What to expect:
  ▪ Hire people right after college-Bachelors or Masters, doesn’t matter
    ▪ This may change with new 150 hour requirement
  ▪ Looking for people who:
    ▪ Have ability to learn
    ▪ His job is to teach you
  ▪ First few days
    ▪ Training class, files, computer, software, mock tax return
    ▪ Just an intro, real learning comes by doing
  ▪ Start assigning jobs
  ▪ 1st year or 2:
    ▪ Mostly tax prep
    ▪ Assigned a supervisor with 3-5 years experience, also assigned a mentor/buddy
      • Ask them questions, no dumb questions, ask as many as possible
    ▪ Steep learning curve

➤ Firm culture:
  ▪ Work hard, play hard
  ▪ Half-day Fridays during the summer
  ▪ Still busy, but not overtime busy
    ▪ Work on extended tax returns, consultations
  ▪ Half of work is compliance, half is consultation
    ▪ Clients call before large transactions are made for advice

➤ Timeline:
  ▪ As a tax accountant, busy times are known
    ▪ February, March, ½ of April, September, October
  ▪ Staff:
    ▪ 55-60 week during busy times, rest 40 hour week

➤ Promotions:
  ▪ Staff
    ▪ 2-3 years
  ▪ Senior
- 3-5 years experience
- Difficult position:
  - Manage staff, gather info from clients, coordinate clients, prepare special projects, take direction from supervisors
- Bonus and salary adjustment
  - Manager
    - 5-6 year mark
    - Focus on building relationships with owner, CFO, strategic tax consulting, work with partners
    - Work 3-5 years
  - Senior manager
    - Partner basically, but not because no book of business
    - Highly technical, highly paid, future partners (2 people currently)

➤ Advice:
  - Even if not ultimate goal, start in CPA firm and work 3-5 years
  - Invaluable experience, catapults you into other positions
  - They have hundreds of clients, so different transactions daily
    - Non-CPA firms do not have such a broad range of transactions
  - Makes you more valuable to have that diversified knowledge
  - CPA industry provides opportunities and keeps doors open

➤ Story:
  - John worked at E&Y as a tax accountant and left after 6 years as manager
  - Worked for a real estate company, became CFO for 5-6 years
  - Owner handed company over to him, now CEO and president

➤ Questions:
  - Q: Is a real estate license an asset?
    - A: The license itself doesn’t really matter, but in pursuit of license, you take classes which will help. I took real estate finance classes at SDSU during the masters program and it helped and I also taught real estate finance class at SDSU. It helps me relate better to clients. Knowledge of the industry is important. It is important for any industry.

  - Q: What is a book of business?
    - A: Having your own set of clients with an adequate revenue stream. You become an owner in the business as a partner, so you need to add revenue to business. Big 4 firms can have technical partners with no clients, but local firms are different.

  - Q: When you left E&Y did you have to sign a non-compete agreement?
    - A: According to my attorney, non-compete agreements are invalid if you are not an owner. Companies do it as scare tactic or get you to commit on an ethical agreement. I did not sign and they still let me work for 2 more years. Many clients left with me because the cost of accounting rate was too high. E&Y didn’t care that I took clients and
even referred some clients to me because I am in a different market. I have also referred clients to them. I was up front and honest with the firm.

- Q: Does RPR have an agreement with CPA prep companies? Roger, Becker?
  - A: Yes. RPR sells knowledge. We are hired for our expertise in that area. The faster you learn, the more valuable you are. RPR pays for the review course, pays for the exam, gives you days off to take exam, gives you a bonus when you pass test, and a bonus when you become a CPA. We want you to become CPA as soon as possible, so we financially incentivize people to take it. We may pay for a Masters in tax also.

- Q: How can you know who is smart vs. not smart?
  - A: I don’t know. There is no magic interview question. It’s a crapshoot when interviewing. You don’t know what you’re going to get based on resume. I like a 3.0 GPA or higher with work experience or outside activities because it shows multitasking ability. We hire based on personality. Your resume gets you in the door, your personality gets you the job. We look for people that “play nice”. As tax accountant, you need to love studying laws, rules, but also need social skills to interact. We look for team players. I love internships because it gives you the opportunity to see if you like the work and the firm and lets us know if you will be a good fit. Paid decent wage ($18-19/hour).

- Q: Do you personally interview people wanting to join your firm?
  - A: I am the lead recruiter, so everyone goes through me. Richard Christiansen is the lead recruiter for SDSU and has been for the past year. You meet him usually on the second round interview.

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