



Chamberlain Hrdlicka



Your Goals. Our Mission



INTRODUCTION TO OUR FIRM

FIRM HISTORY

Founded in 1965 by two attorneys from the U.S. Department of Justice Tax Division, Chamberlain, Hrdlicka, White, Williams & Aughtry completes its fifth decade as a diversified law practice. Though originally founded as a premier tax boutique, the firm has selectively grown to over 120 attorneys, encompassing multiple practice areas in which we deliver the highest levels of legal expertise and client service.

Today, our firm serves a broad array of clients, from start-up ventures to publicly-held multinational corporations, each of which requires sophisticated counsel for strategic planning, complex transactions and high-stakes litigation. Regardless of the size of our clients or their legal needs, our attention to detail, commitment to personalized service and focus on cost control have allowed us to build long-term relationships and consistently help our clients achieve their business objectives.

PRACTICE PHILOSOPHY

Our clients place their trust in Chamberlain Hrdlicka because we provide a level of legal sophistication and a value proposition that are unmatched. Whether serving as advisors charting a course of action, negotiators reconciling differences to “get the deal done” or litigators resolving disputes in court, we zealously work to protect your legal *and* business interests.

To deliver the results that our clients require, along with the levels of service and cost management that they desire, we are guided by the following principles:

- **Understanding intimately our clients’ business.** The practice of law does not occur in a vacuum and the resolution of legal problems should take into account the effect on clients’ overall business needs, interests and goals.
- **Maintaining consistency in the working relationship.** The individual lawyers our clients hire remain actively engaged in the work and are consistently available for consultation.
- **Utilizing appropriate resources.** We staff legal projects as cost-effectively as possible with experience-appropriate attorneys and paralegals at reasonable hourly rates or with mutually beneficial alternative fee arrangements.
- **Providing “preventive maintenance.”** We are vigilant about identifying pertinent updates on laws that may affect a client’s business or offer planning opportunities, and, where appropriate, offer training seminars or similar services to identify and resolve minor legal problems before they escalate into major ones.



HOW WE CAN SERVE YOU

NATIONAL PRESENCE/GLOBAL REACH

With offices strategically located in the Northeast, South, Southwest and West, we represent domestic and foreign clients in business and tax planning, transactional and litigation matters across the country and around the world.

WORKING WITH CORPORATE COUNSEL

We regularly represent public companies and work closely with their in-house legal departments. Whether acting as a resource and trusted advisor to in-house professionals or overseeing a turn-key project, our goal is to assist corporate counsel in accomplishing the objectives of the company as efficiently and cost-effectively as possible. We structure and manage each project in a manner that complies with the policies and procedures established by our corporate clients. As a mid-sized business-oriented firm, we offer greater flexibility and responsiveness, fewer conflicts of interest and a more client-focused perspective. We also work seamlessly with outside accountants and other service professionals as a collaborative team committed to serving our clients' best interests.

PRICING MODELS/FEE ARRANGEMENTS

Chamberlain Hrdlicka constantly strives to provide legal excellence while controlling client costs. Some of our largest clients turned to us after experiences with other law firms where cost overruns and "overlawyering" are the rule rather than the exception. Many of our lawyers have experience and expertise comparable to attorneys at the largest and most recognized firms in the country. However, our aggressive focus upon cost control enables us to provide our clients with the same levels of sophistication and service as those larger firms at a considerably lower overall cost.

Managing costs in the manner our clients expect requires more than offering reasonable billing rates. It also requires efficient use of professional and support resources by managing work on an experience-appropriate and project-appropriate basis. We work closely with every client to ensure that the team assigned to a given project properly reflects the project's requirements and scope. We consistently strive to budget the cost of a project fairly and accurately and believe that transparency and open communication about fees in the attorney-client relationship are beneficial both to the firm and to the client, as well as the long-term relationship.

We are also receptive to alternative pricing models, including blended rate structures, partial or full contingency fees, and fixed-fee retainer arrangements. Our goal in looking at alternative pricing models will be to align our interests with yours to the maximum extent possible, with the goal of sharing savings as we help you achieve efficiencies in managing your business affairs with an appropriate level of legal assistance.



FEDERAL, STATE AND LOCAL TAX CONTROVERSY

Tax law came first at Chamberlain Hrdlicka and remains a core strength of our diversified law practice. Nearly one-third of the firm's attorneys practice in this field, many of whom previously worked for the Tax Division of the United States Department of Justice, the Internal Revenue Service (IRS) Office of Chief Counsel and various state and local revenue departments.



Chamberlain Hrdlicka is consistently ranked as one of the nation's elite tax controversy firms by both **Chambers USA** and **The Legal 500**, two preeminent international publications providing comprehensive independent rankings and editorial commentary about top law firms and lawyers in over 150 countries.

Attorneys in Chamberlain Hrdlicka's nationally prominent tax controversy practice represent public and private multinational corporations, as well as small to midsize businesses and individuals in all facets of the federal, state and local tax controversy processes. In federal matters, we represent clients in all phases of IRS audits and appeals, as well as in litigation in all trial forums and judicial appeals in the U.S. Courts of Appeals and the U.S. Supreme Court. At the state and local level, our representation of clients includes audits, administrative appeals, litigation and judicial appeals, including state intermediate appellate courts, state supreme courts and the U.S. Supreme Court. Our breadth of experience enables us to provide continuity of representation throughout the tax controversy process, ensuring the highest levels of sophistication and service that our clients require, as well as the focus upon efficient case management and cost control that they should expect.

Unlike law firms that profess to handle tax controversies using general litigators and transactional tax lawyers, we maintain one of the most active and highly regarded tax controversy specialty practices in the country, contemporaneously handling multiple cases at various stages of the controversy process. Our clients value this experience and the reputation and credibility it has earned us with the IRS and the Department of Justice, as well as state and local taxing officials and government lawyers throughout the country. Such experience enables us not only to anticipate issues and disputes that could arise in subsequent proceedings, but also to successfully resolve such disputes on favorable terms through negotiated settlements where possible, and through litigation where necessary.

Types of Representation

- Tax Reporting and Disclosure Requirements (including Schedule UTP, FBAR and FATCA)
- Pre-Filing Agreements, Private Letter Rulings and Technical Advice Memoranda
- Compliance Assurance Process (CAP)
- Scope of Audit and Audit Defense Strategy
- IDR Responses
- Summons Responses or Summons Enforcement Defense
- Records Retention Practices
- Privilege Considerations
- Alternative Dispute Resolution (Mediation, Arbitration, Early Referral, Fast Track Settlement)
- Avoidance or Abatement of Tax Penalties
- Offers in Compromise
- Administrative Appeals
- Litigation & Appeals in all Federal, State and Local Courts



Representative Matters (Federal)

We take pride in our track record of achieving important victories or favorable settlements for our clients, some of which are featured here. A more extensive list is available on our website.

Colorcon, Inc. v. United States, 110 Fed.Cl. 650 (Fed.Cl., 2013) (obtained summary judgment awarding \$31 million deduction for § 483 imputed interest on settlement payment resolving minority shareholder dispute over value of interest in short-form merger and other claims).

Frontier Oil Corporation v. Commissioner, Docket No. 21151-10 (U.S.T.C. filed Sep. 23, 2010) (favorable settlement for taxpayer on issue of first impression claiming § 162(m)(4)(C) exception to limitation on deductibility of qualified performance-based compensation).

Kohler Co. v. United States, 468 F.3d 1032 (7th Cir. 2006), *aff'g*, 387 F. Supp.2d 921 (E.D. Wis. 2005) (affirming grant of summary judgment in favor of the taxpayer's claim that participation in Mexican debt-equity swap did not produce short-term capital gain).

Black & Decker Corp. v. United States, 340 F. Supp. 2d 621 (D. Md. 2004), *aff'd in part, rev'd in part and remanded*, 436 F.3d 431 (4th Cir. 2006) (favorable settlement on remand for taxpayer claiming \$560 million capital loss from the sale of stock in a contingent liability health care subsidiary).

VF Corp. v. Commissioner, No. 7584-02 (U.S. Tax Court, filed Apr. 19, 2002) (obtained full IRS concession in a Tax Court case involving the question of whether \$59 million cost of providing retail display to retail customers is currently deductible or must be capitalized).

Kimberly-Clark Tissue Co. v. United States, 38 F. Supp.2d 1028 (E.D. Wis. 1999) (obtained summary judgment regarding taxpayer's entitlement to an investment tax credit under the "world headquarters" transitional rule of the 1986 Tax Reform Act).

Emhart Corp. v. Commissioner, 75 T.C.M. 2231 (1998) (won taxpayer's claim to worthless stock deduction for losses attributed to the disposition of Portuguese subsidiary.)

Representative Matters (State and Local)

McNeil Trust v. Commonwealth, 67 A.3d 185, (Pa. Commw. Ct. 2013) (successfully argued that Commonwealth's income tax definition of "Resident Trust" violated Commerce Clause of the United States Constitution).

In re Expedia Inc., 37 A.3d 15 (Pa. Commw. Ct. 2012) (successfully challenged Philadelphia Hotel Room Rental Tax assessment made against online travel agent).

Northwood Construction Company v. Upper Moreland Township, 856 A.2d 789 (Pa. 2004) (successfully argued that a municipal gross receipts tax that did not apportion interstate gross receipts violated the Commerce Clause).

Philadelphia Eagles v. Philadelphia Tax Review Board, 823 A.2d 108 (Pa. 2003) (represented amicus curiae supporting successful appeal of Philadelphia Eagles that only TV royalties from home games were subject to gross receipts of Philadelphia's Business Privilege Tax).

Wissinoming Bottling Company v. School District of Philadelphia, 654 A.2d 208, *aff'd*, 672 A.2d 279 (1996) (successfully argued that Commonwealth preempted the power of Philadelphia School District to impose use and occupancy tax on malt and brewed beverage distributors).



FEDERAL, STATE AND LOCAL TAX PLANNING

Complementing our tax controversy practice is our equally sophisticated planning and transactional practice, which serves domestic and foreign multinational companies across a wide variety of industries, including manufacturing, consumer and industrial goods, financial, construction, energy, technology and services.

In the area of international tax planning, our attorneys advise and assist Fortune 500 companies on global tax issues, including:

- Transfer pricing analyses
- Contract manufacturing arrangements
- Licensing intangible assets for international operations
- Subpart F income
- Foreign tax credit planning
- Earnings repatriations
- Inbound and outbound tax treaty implications
- Competent authority negotiations

In addition, we have extensive experience structuring and advising clients with respect to complex financial products and cross-border financial transactions, including hedging transactions and captive insurance arrangements.

Chamberlain Hrdlicka also is the sole United States law firm belonging to the International Tax Group ("ITG"), an elite group of international tax lawyers from five continents. The ITG meets on a regular basis around the globe, where members exchange ideas and information about current tax issues and developments affecting multinational companies.

Our domestic tax planning spans the full range of tax issues, ranging from traditional concerns, such as corporate, partnership, and joint venture planning, to cutting-edge issues, such as the application of FIN 48 to complex transactions as well as administrative and judicial proceedings. We also have significant experience in specialized areas such as:

- Accounting method issues, including inventory methods and capitalization
- Consolidated returns
- Financial instruments
- Insolvency and workout arrangements
- Transaction structuring and choice of entity
- Transferee liability
- Nexus determinations

Finally, we possess significant experience in negotiating advance pricing agreements and submitting ruling requests to the IRS as well as state and local taxing authorities.



CRIMINAL TAX DEFENSE

True to our co-founding by former United States Department of Justice tax litigators, Chamberlain Hrdlicka has a long history of defending criminal tax prosecutions and investigations. Carrying on the reputational legacy of the firm's founders, our criminal tax attorneys have been lauded for their work both inside and outside the government and recognized as among the preeminent criminal tax defense attorneys in the country.

Our criminal tax attorneys understand that the best result for clients facing criminal tax charges is to avoid criminal indictment altogether. Therefore, we have worked tirelessly to establish a reputation for integrity and credibility with government prosecutors. This reputation, along with our comprehensive knowledge of the most critical facets of criminal tax investigations, means that we are often able to convince government decision-makers to decline prosecution. In those instances where an indictment is unavoidable, our attorneys have the litigation experience and savvy to obtain favorable plea deals with probationary sentences, "not guilty" jury verdicts and acquittals.

Types of Representation

- Tax Evasion
- False Returns
- Tax Conspiracy
- Tax Fraud: Federal and State tax fraud, including estate tax cases
- Willful Failure to File
- Willful Failure to Pay
- Undisclosed Foreign Bank Accounts

Representative Matters

- Obtained acquittal of professional athletes after trial by jury in tax evasion case.
- Obtained acquittal of prominent attorney after trial by jury in tax evasion case.
- Obtained acquittal of computer manufacturer after trial by jury in tax evasion case.
- Persuaded U.S. Attorney to decline prosecution for alleged tax evasion by nightclub owner.
- Persuaded U.S. Department of Justice to decline prosecution for alleged tax evasion by aircraft business owner.
- Negotiated dismissal of felony charges by U.S. Department of Justice against doctor in a tax shelter case and plea to misdemeanor resulting in sentence of probation.
- Obtained sentencing alternatives to avoid deportation of resident alien convicted of filing false income tax return.



LITIGATION & ALTERNATIVE DISPUTE RESOLUTION

Chamberlain Hrdlicka has a deep bench of experienced commercial litigators who approach disputes with resourcefulness, creativity and business savvy to craft favorable, cost-effective solutions. Offering top-tier legal expertise for business clients ranging from the Fortune 100 to mid-market and small companies, our trial lawyers listen to our clients, learn about their business and assemble a lean team with the right industry and subject matter expertise. At every step of the litigation process, we work with our clients to understand their goals and assess the strengths and weaknesses of the case not only in light of the law, but also its effect on the overall business.

For many business clients, their goal is often to achieve an early resolution of a dispute by reaching a favorable settlement, or to truncate the litigation process by using alternative dispute resolution procedures such as mediation or arbitration. Our litigators frequently assist clients in negotiating settlements and representing them in international and domestic alternative dispute resolution forums. In these settings, our clients benefit from our judgment and experience in trying commercial cases as they determine whether to agree to a settlement, avail themselves of ADR procedures, or proceed to litigation.

Because early resolution is not always desirable or possible, our lawyers prepare the case to win it at trial. We are specialists in the courts and regularly take cases to trial. During the discovery process, we focus on developing the facts and themes and refining the trial strategies to present the case in its most favorable light should it go to court. We believe that clients achieve the best settlements when the opposition understands that our lawyers are fully prepared to try the case. Oftentimes, the meticulous preparation of a case for court will provide considerable leverage at the pre-trial settlement table.

Although litigation through trial and appeal may be necessary to achieve or sustain clients' business goals, we are always mindful of the client's perspective about the litigation process itself, including the legal costs associated with prosecuting or defending a claim and the potential disruption to the business. Our litigators are in the business of fostering long-term relationships and therefore we strive for exceptional results at a good value. We do this by budgeting cases carefully, staffing them efficiently, and leveraging technology effectively. We provide services on an hourly fee basis and, in appropriate instances, on an alternative fee basis, such as contingent fee or hybrid contingent/hourly fee.

Types of Representation

- Admiralty/maritime
- Appellate
- Arbitration (International and U.S.)
- Business Torts Litigation (Fraud, Breach of Fiduciary Duty, Unfair Competition, Tortious Interference with Contract)
- Condemnation/Eminent Domain
- Construction



Types of Representation (*continued*)

- Corporate Governance Litigation
- Energy and Oil & Gas Litigation
- Equine Litigation
- Financial Services Litigation
- Intellectual Property (Copyright, Patent, Trademark, Trade Secrets)
- Insurance Coverage
- Labor and Employment
- Product Liability Defense
- Professional Liability
- Securities Litigation
- White Collar Criminal Defense and Internal Corporate Investigations

Representative Matters

- Obtained dismissal of offshore construction company's subsidiary, which was sued by an oil company for breach of contract, fraud and civil conspiracy in connection with conversion of large crude oil carrier into oil platform, based on parties' forum selection clause.
- Served as lead counsel in hundreds of securities and investment-related cases in litigation and arbitration proceedings involving claims of fraud, negligence, breach of fiduciary duty, RICO, violations of Blue Sky laws and other federal and state securities laws and industry practices.
- Won unprecedented procedural ruling for energy-related service company that enabled it to sue the U.S. Department of Labor and ultimately obtain win on critical misclassification issue, the first time the DOL has lost on such an issue since 1938 when Fair Labor Standards Act was enacted.
- Successful defense of energy company and nine employees against claims of breach of fiduciary duty, disclosure and use of confidential information and violation of the Texas Theft Liability Act; recovered over \$600,000 in defense costs from plaintiffs.
- Secured multi-million dollar judgment for restoration contractor against property owner for fraudulent conversion of insurance proceeds.
- Awarded \$18 million in wrongful death and civil racketeering action against defendant who murdered estranged wife in attempt to collect on her insurance policy.
- Successful defense of bottle distribution company named in personal injury/death case and fully recovered all incurred losses from co-defendants.
- Arbitrated claims and counterclaims involving commercial real estate lease in the Houston Energy Corridor in the aftermath of Hurricane Ike. Recovered \$3.5 million for tenant in damages and cancellation of the long term lease.
- Won summary judgment for health network against physician alleging antitrust and monopoly claims.

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