

Practice Areas

- Tax
- Tax Controversy & Litigation

Education

- Stony Brook University (N.Y.), B.S., 1972
- Brooklyn Law School, J.D., cum laude, 1978

Honors

- U.S. Department of Justice, Outstanding Service as Tax Division Trial Attorney (1979 and 1983)

Bar Admissions

- Texas
- New York

Court Admissions

- U.S. Tax Court
- U.S. Court of Federal Claims
- U.S. District Courts, Southern, Northern, Eastern Districts of Texas
- U.S. Court of Appeals for the Fifth Circuit
- U.S. Court of Appeals for the Federal Circuit

Lawrence W. Sherlock

Shareholder
Houston

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In a practice spanning nearly 30 years, Larry Sherlock has achieved notable success both at the Tax Division of the Justice Department and at Chamberlain Hrdlicka, including a record of more than 40 cases tried to completion before judges or juries and numerous others decided on motions for summary judgment.

His practice focuses primarily on negotiating and litigating federal tax disputes, including disputes arising out of income tax audits, estate and gift tax valuation questions and criminal investigations; representing businesses and individuals before IRS agents, the IRS Appeals Office, the U.S. Tax Court, U.S. Court of Federal Claims, Federal District Courts and Federal Courts of Appeal.

In his tax bankruptcy practice, Mr. Sherlock advises clients about the interaction of the Internal Revenue Code and the Bankruptcy Code, including the priority and dischargeability of tax debts, the separate tax status of a debtor's bankruptcy estate, and the creation and exclusion of cancellation of indebtedness income.

Mr. Sherlock represents a wide variety of clients, from Fortune 500 companies to small "mom and pop" businesses and individuals. Most recently, he has handled matters that resulted in favorable outcomes at IRS Appeals and in court over complex income tax questions and over IRS challenges to estate tax valuations of family limited partnerships.

Significant Matters

- Represented a large car dealership at trial in the Tax Court and reduced a \$540,000 tax deficiency to \$-0- by proving that assets sold at a loss were inventory rather than capital assets.
- Represented an investment partnership at trial in the Tax Court after the IRS disallowed all but \$150,000 of a \$2,700,000 charitable contribution; proved that the contributed property was worth more than 8 times the value placed on it by the IRS agent and more than 4 times the higher value determined by the IRS expert witness.

Lawrence W. Sherlock, *Continued*

- Represented several family limited partnerships in estate and gift tax examinations at the audit, Appeals and trial levels and obtained valuation discounts for the assets of the partnerships ranging up to 60%.
- Represented a major financial company in the Fifth Circuit Court of Appeals after the Tax Court approved the IRS's imposition of a 20% negligence penalty on a substantial tax deficiency; the Fifth Circuit reversed the penalty in full.
- Persuaded IRS special agents in several cases to terminate criminal investigations after showing that no criminal intent was involved in mistakenly reported items on tax returns; and in other cases persuaded lawyers at the U.S. Department of Justice to reject prosecution of cases after the IRS made recommendations to the Justice Department to seek indictment of the client.
- In three cases, including one involving a debtor in bankruptcy, proved in court that net operating losses incurred by clients could be carried back to reduce tax deficiencies in the face of IRS assertions that the losses had to be carried forward.
- In two cases, won court-ordered awards of attorneys' fees for clients after the IRS conceded the tax deficiencies just before trial; one case involved allegations of civil fraud penalties and the other involved the disallowance of \$6 million in deductions.

Outside Courses and Seminars:

- Attorney General's Advocacy Institute – U.S. Department of Justice (1983)
- Strategies for Effective Negotiations with IRS - Texas Society of CPAs (1991)
- "When Your Client Can't Pay: IRS Collection Alternatives" – Advanced Tax Law Course, State Bar of Texas (2002)
- "Federal Tax Issues in Bankruptcy" – Houston Tax Expo, Texas Society of CPAs (2000 and 2002)

Speeches at Chamberlain Hrdlicka Annual Tax Planning Seminar:

- "The CPA as an Effective Expert Witness" – (1991)
- "Ethical Considerations for Lawyers and CPAs When Clients Have Tax Problems" – (1994)
- "Recent Developments in IRS Offers in Compromise" – (1995)
- "Marriage, Divorce and Taxes" – (1996)
- "Tax Collection in the Era of Customer Service: The IRS Restructuring Act" – 1999
- "IRS Collection Alternatives" – (2002)
- "IRS Audit Issues for the Small Business" – (2004)
- "Trying the FLP Case: Going to Court with Your Family Limited Partnership" – (2005)

Speeches at Chamberlain Hrdlicka Large Case Tax Audit Seminars:

- "Choice of Forum and Attacking Treasury Regulations in Tax Litigation" – (1991)
- "Strategies for Settling and Litigating Multi-Year Tax Issues" – (1993)

Speeches at Chamberlain Hrdlicka Monthly Tax Forums for CPAs:

- "Solicitation of Clients by Tax Professionals" – (1993)
- "Awards of Attorneys' Fees under I.R.C. § 7430" – (1994)

Lawrence W. Sherlock, *Continued*

- "Tax Aspects of Divorce" – (1995)
- "Recent Changes to Tax Practice and Procedure" – (1998)
- "Valuation Discounts: Resisting the IRS on the 'Fair Market Value' Front" – (1999)
- "Recent Tax Court Decisions on Family Limited Partnerships" – (2001)
- "Federal Tax Issues in Bankruptcy" – (2002)
- "Tax Update on the Bankruptcy Reform Act" – (2006)

Articles and Publications

- "Deadline for IRS Voluntary Compliance Initiative," "Banking and Finance" column, *Houston Business Journal*, March 7, 2003
- "Bankruptcy: Blessing or Curse," "Taxing Matters" column, *DBAHouston*, July 1995

Professional Affiliations

- American Bar Association, Tax Section
 - State Bar of Texas, Tax Section
 - Houston Bar Association, Tax Section
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