

#### Practice Areas

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- Tax
- Tax Controversy & Litigation
- State and Local Tax Planning & Controversy

#### Education

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

#### Honors

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- Named, Best Lawyers in America in Litigation and Controversy – Tax (2012-2024)
- Recipient, 1979 and 1983 Outstanding Service as Tax Division Trial Attorney, U.S. Department of Justice

#### Bar Admissions

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- Texas
- New York

#### Court Admissions

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- U.S. Tax Court
- U.S. District Court, Southern District of Texas
- U.S. District Court, Eastern District of Texas

## Lawrence W. Sherlock

Special Counsel

Houston

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Larry Sherlock is a tax attorney in the Tax Controversy Section of Chamberlain Hrdlicka in Houston.

In more than 30 years of practice, Larry has achieved success both at the Tax Division of the Justice Department and at Chamberlain Hrdlicka. He has a record of more than 40 cases tried to completion before judges and juries.

His practice focuses on negotiating and litigating federal tax disputes, including disputes arising out of income tax audits, estate and gift tax valuation questions and criminal investigations.

Larry counsels a wide variety of clients, including individuals, small businesses and large Fortune 500 companies.

Most recently, Larry has handled matters that resulted in favorable outcomes at IRS appeals and in court related to complex income tax questions and IRS challenges to estate tax valuations of family limited partnerships.

#### Significant Matters

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- 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.
- 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%.

- U.S. District Court, Northern District of Texas
- U.S. Court of Federal Claims
- U.S. Court of Appeals for the Fifth Circuit
- U.S. Court of Appeals for the Federal Circuit

## **Lawrence W. Sherlock, *Continued***

- 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 and Business 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)
- "Closing the Exam and Preparing for IRS Appeals" - (2009)

## Lawrence W. Sherlock, *Continued*

- "Estate and Gift Controversy Issues" - (2014)

### Speeches at Chamberlain Hrdlicka Large Case Tax Audit Seminars:

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- "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:

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- "Solicitation of Clients by Tax Professionals" – (1993)
- "Awards of Attorneys' Fees under I.R.C. § 7430" – (1994)
- "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)
- "Deductions for Claims Against the Estate: New 2053 Regulations" - (2010)
- "IRS and Treasury Wheel Out the Big Regulatory Guns" - (2011)
- "New Partnership Tax Audit Rules" - (2016)
- "New IRS Voluntary Disclosure Practice: Domestic Criminal Violations, Foreign Accounts and Cryptocurrency" - (2019)

### Professional Affiliations

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