

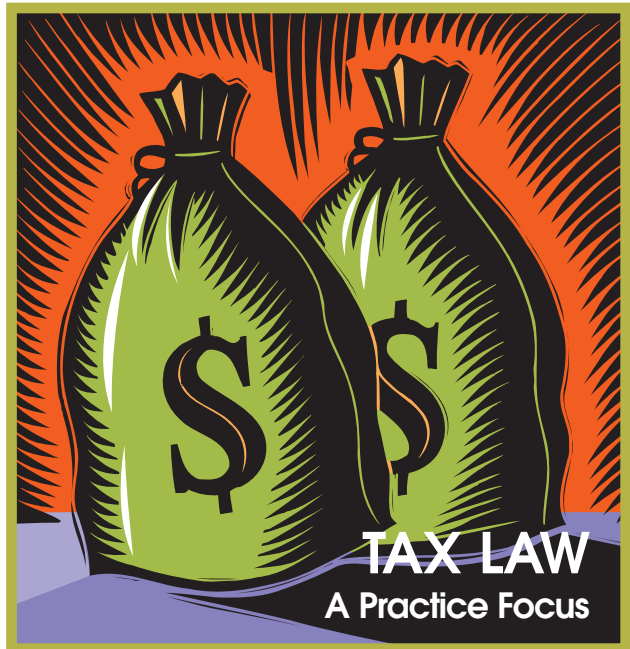
# Identifying **10** Leading Tax Lawyers

In tax law, it really is all about the money. And these 10 D.C. attorneys rank among the best at convincing the Internal Revenue Service—or Congress or a jury—that their clients' tax burden should be a little smaller.

Some of them are generalists who handle anything involving the Internal Revenue Code. But more and more, the practice is tilting toward specialists. Blame it on an increasingly complex tax code and competition from the accountants. So *Legal Times*' list also names the go-to attorneys in several [insert impossibly arcane issues here].

For their esoteric expertise, these top tax lawyers bill as much as \$850 an hour.

How did *Legal Times* pick them? We solicited suggestions from our readers and reporters. Then, freelance journalist Jenna Greene (formerly an editor at *Legal Times*) interviewed dozens of experts to narrow down the list to 10 names.



You can learn more about the Leading Lawyers series, including how to nominate attorneys, at [www.legaltimes.com](http://www.legaltimes.com). The final report of 2005 will be "Food & Drug Law" (Sept. 19).

# Leading LAWYERS

## Ten of the D.C. Area's Top Tax Attorneys

### William Paul

**Covington & Burling**

In the high-stakes world of high finance, William Paul stands out as a go-to adviser on some of the most perplexing tax questions of all. The 54-year-old Covington & Burling partner is known for his expertise on the tax treatment of new financial products.

“The tax system can be slow to adapt to innovations in the financial sector,” says Paul, while Wall Street is continually introducing new investment options. “It always raises the question: How will this be taxed? The [existing] tax rules don’t tell you what to do.”

For example, Paul says, the Treasury Department and the Internal Revenue Service are currently grappling with how to tax so-called credit default swaps and other types of contingent swaps. Broadly speaking, credit default swaps allow the transfer of third-party credit risk from one entity to the other. At issue is the timing of income, gain, loss, and deductions.

“It’s very uncertain how these will be taxed,” says Paul. “But it’s critical for participants in the financial markets to know.”

Typically, mutual funds, options exchanges, institutional investors, and others will hire Paul for guidance in dealing with new financial products. If applicable IRS rules have not yet been established—a process that can take several years—Paul will advise on appropriate tax treatment in the meantime. With millions, even billions, of dollars in investments at stake, his judgment is crucial.

Keith Lawson, senior counsel of the Investment Company Institute, describes Paul as “an extremely competent, very thoughtful, and careful lawyer.” The mutual fund trade association, whose members manage more than \$7 trillion in assets, has turned to Paul for advice for more than 20 years.

“We typically go to him with hard questions,” says Lawson. “A lot of it is strategic—how we think the government might approach an issue.”

Another notable client is the U.S. Securities Markets

Coalition, an association of the nation’s options and stock exchanges. Paul has advised on such matters as the optimal design of index option products and the appropriate tax treatment of new exchange-traded instruments.

Paul has also been tapped by such companies as the Calpine Corp., Computer Associates International Inc., and Electronic Arts Inc. to analyze the tax consequences of capital-markets offerings and prepare tax disclosures for potential investors.

Paul received his law degree from the University of Michigan Law School in 1977. He clerked for Judge

Thomas Gibbs Gee of the U.S. Court of Appeals for the 5th Circuit for a year and then joined D.C.’s Covington & Burling. In 1987, he made partner. Notable colleagues include Andrew Friedman, who specializes in tax issues related to sports.

From 1988 to 1989, Paul served as deputy tax legislative counsel in the Treasury Department’s Office of Tax Policy. He says he enjoyed the chance to help shape tax policy and the opportunity to “see up close what’s actually going on and how decisions get made.”

Today he continues to work on tax policy from the private sector side. He is registered as a lobbyist for the U.S. Securities Markets Coalition and the Investment Company

Institute. Current issues include the taxation of mutual funds, mutual fund investors, and options.

Susan Milligan, special counsel for government relations at the Options Clearing Corporation, praises Paul’s “sterling reputation” with congressional and Treasury staffers. “It’s clear they have great respect for his opinion,” she says.

Milligan adds, “Bill’s depth of knowledge of the arcane subject of derivatives transactions taxation is unsurpassed.”

Paul currently serves as chair of the Tax Shelter Tax Force of the American Bar Association’s Section of Taxation. It’s a high-profile position given the recent IRS crackdown and legislation pending in Congress to deal with abusive tax shelters.

“Resolving tax issues is like solving a puzzle,” says Paul. “Practicing in Washington allows the added dimension of working with the government on policy issues. I like being part of the public debate.”



JAY MALLIN