



## "One of the Last Pristine Tax Boutiques"

### PRACTICE AREAS

Tax

Tax Controversies

*Legal Times*

February 21, 2000

In the February 21, 2000, edition of *The Legal Times*, there was a story of how several successful small law firms were thriving notwithstanding the encroachment by accounting firms and the tendency of small and medium size firms to merge into megafirms. Ivins, Phillips & Barker was included in the story and set forth below is the profile of our firm.

### LEGAL TIMES (FEBRUARY 21, 2000) IVINS, PHILLIPS & BARKER

Washington's Ivins, Phillips & Barker is one of the last pristine tax boutiques still standing in the country, and it fully intends to be standing a generation from now.

"We consider ourselves to be the Cravath, Swaine & Moore of tax practice," says partner Leslie Schneider. "That sounds smug, and you can't be smug about tax practice, but we feel we are doing a high-quality job."

Schneider also believes that there will always be a market for independent tax advice, no matter how far the big accounting firms cast their shadow.

"Even with all the encroachment of the accounting firms, people are still going to want someone independent to look at their tax problems," says Schneider, noting that the full-service offerings of big accounting firms may leave some clients worried about conflicts.

But 30-lawyer Ivins, Phillips has not entirely escaped the looming presence of the Big 5.



## | 2 | "One of the Last Pristine Tax Boutiques"

A few years ago the firm lost a couple of lawyers to the accountants. Its response was to beef up pay at the bottom end by getting senior partners to take a cut in draw. "We probably have a narrower spread from top to bottom" than many firms, says Schneider.

Otherwise, Ivins, Phillips, founded in 1936, has gotten away with few concessions to modern times and remains a very old-fashioned, and very well-compensated, place to work. With a who's who of corporate clients - Fidelity Investments, the Xerox Corp., the General Electric Co. - the salaries for senior partners are at the "top" of the D.C. pay scale, says Schneider, and the firm traditionally has matched the starting salaries of the big New York law firms. With those salaries now in orbit, Schneider says Ivins, Phillips has not decided how to respond.

The five-member management committee, composed of the five eldest partners, meets about three times a year. Nearly all associates are offered partnerships, and pay is highly egalitarian. After 12 years as a partner, Ivins, Phillips' lawyers automatically become senior partners and are all paid at the same level, no matter how hard they work or how many clients they bring in.

"This model is very attractive to people who do not want to operate in an environment of 'eat what you kill,' " says Schneider. "It also helps the client because it encourages lawyers to get rid of territoriality." To encourage succession, partners at age 58 must start reducing their draw over a seven-year period until they are back to the draw of a first-year partner.

The model was attractive enough for former U.S. Treasury International Tax Counsel Alan Granwell to leave PricewaterhouseCoopers a couple years ago. Granwell, 56, is the third lateral partner in the firm's history, and he was exempted from the normal retirement policy.

Granwell said he missed the hands-on practice of law at PricewaterhouseCoopers.

"You do all your own work here, and either you like that or you don't," Granwell says, referring to everything from library research to installing new computer software. "You can't pass your work down." Ivins, Phillips, with 18 partners, has just nine associates and three of counsel.

The firm hires one or two associates a year. Dirk Suringa, an editor of the Harvard Law Review, joined in 1997 after clerking on the U.S. Court of Appeals for the 11th Circuit and after interviewing with a number of big firms in the District. "I felt I could get a little farther on the learning curve by picking a smaller place," says Suringa.



### | 3 | "One of the Last Pristine Tax Boutiques"

Also appealing was the greater certainty of making partner. "Here you are viewed as future partners more so than at some of the bigger firms," Suringa says. "Since I've gotten here, what's become even more important is the training and individual responsibility you get."

Suringa says that Ivins, Phillips does not have the instant name recognition of the big firms that so many of his peers flocked to. Outside the tax world, the firm is hardly known. But there are trade-offs. Suringa says that his typical 10-hour day is a lot shorter than that of many of his classmates, even those who went to work for the government. He can dress casually all week long, and he's on a first-name basis with everyone at the firm.

"At a smaller place you know everyone, and everyone knows you. And that lends itself to a civility that is easier to find at a smaller place," Suringa says. "Because there is no place to hide, people make an effort to get along."