



## Todd Welty

WELTY, PC, partner

Atlanta, GA

T: 404.301.4791 F: 678.840.3481

 [twelty@kostelanetz.com](mailto:twelty@kostelanetz.com)



### Biography

Todd has extensive experience in resolving civil tax matters at all stages of a tax dispute, including Internal Revenue Service (IRS) examinations, fast-track appeals, administrative appeals, post-appeals mediation and, if necessary, litigation in the U.S. Tax Court, the U.S. Court of Federal Claims, U.S. district courts, and U.S. Courts of Appeal.

The vast majority of Todd's cases are resolved administratively and without becoming public. Nonetheless, litigation is sometimes necessary. A seasoned trial lawyer, Todd has a track record of winning difficult cases. *Chambers* describes Todd as an "excellent trial lawyer" who is "very effective" at handling tax disputes, and as a "go-to attorney for bet-the-company matters involving the IRS."

Todd was named a Law360 "Tax MVP" in 2014, and in the same year the tax controversy practice that he chaired was recognized as the North American Tax Disputes Firm of the Year by Legal 500. In 2015, Law360 recognized Todd's victory in *Schaeffler v. United States* as one of the Biggest Federal Tax Cases of the Year. In 2016, Law360 again named Todd a Tax MVP. In 2018, Todd chaired McDermott Will & Emery's Tax Controversy Practice when it was named the Tax Litigation Law Firm of the Year. In 2019, Todd left McDermott Will & Emery so that he could focus his time and practice on select tax controversy engagements.

Todd joined Kostelanetz LLP in 2024 after working as President & CEO of Todd Welty, P.C., a specialized tax dispute boutique.

### Education

- B.A. West Texas State University (1990)
- J.D. SMU Dedman School of Law (1993)

### Bar Admissions

- District of Columbia (2018)
- Georgia (2020)
- Texas (1993)
- U.S. Supreme Court
- U.S. Court of Appeals for the Federal Circuit
- Second Circuit Court of Appeals
- Fifth Circuit Court of Appeals
- Ninth Circuit Court of Appeals
- U.S. Tax Court
- U.S. Court of Federal Claims
- Middle District of Georgia
- Northern District of Georgia
- Western District of New York
- Eastern District of Texas
- Northern District of Texas
- Western District of Texas
- Western District of Washington
- Eastern District of Michigan

## Representative Matters

- Currently undertaking select, multifaceted high-profile tax controversy engagement involving one of IRS's highest priority enforcement campaigns.
- Represented numerous taxpayers in connection with transfer pricing matters involving service or procurement companies.
- *3F Administracao de Recursos LTDA n.k.a. Gavea Investimentos LTDA v. Commissioner*. Represented high profile taxpayer in Tax Court in connection with IRS efforts to convert private equity and hedge fund manager's \$250 million + capital gains on sale of management company into ordinary income under section 741 and 751. On eve of turning over expert reports in early 2019, case settled, pursuant to which additional tax of less than \$150,000 was due.
- Represented multinational company in connection with IRS attempts to reclassify billions of debt as equity. Following issuance of Revenue Agent's Report, the IRS administratively conceded 100% of approximately \$9 billion of tax adjustments and hundreds of millions of dollars in penalties.
- Represented multinational company in connection with the valuation of intangibles under the asset-by-asset requirements of Code section 367(d)—versus an aggregate approach—and related issues regarding the proper determination of goodwill, going concern, and workforce in place value. The engagement resulted in hundreds of millions in tax savings.
- *Schaeffler v. United States*, 806 F.3d 34 (2d Cir. 2015). Taxpayer victory. Law360 named Schaeffler as one of the "Biggest Federal Tax Cases of 2015," and it has also been described as the "most favorable" privilege and work product decision in years.
- *Alterman v. Commissioner*, 110 T.C.M. (CCH) 507 (T.C. December 1, 2015). Taxpayer victory. Law360 described the case as a "rare" taxpayer victory given the type of case.
- *Southgate Master Fund, LLC v. United States*, Nos. 3:07-cv-02104, 3:12-cv-02824, 3:12-cv-04480 & 3:13-cv-03634 (N.D. Tex.) ("Southgate II") Taxpayer victory. Series of related cases with over \$300 million at issue: \$150 million refund and claim by IRS for \$150 million of additional liability. At completion of discovery, DOJ conceded issues, IRS agreed to close open examinations, and refunds in 2016 totaled more than \$225 million.
- *Rawls Trading, L.P. v. Commissioner*, 138 T.C. 271 (2012). Taxpayer victory. In Son of BOSS case involving \$400 million in losses, this was the first major Tax Court case where the taxpayer's reasonable cause defense to penalties was sustained.
- *Southgate Master Fund, LLC v. United States*, 651 F.Supp.2d 596 (N.D. Tex. 2009), *aff'd*, 659 F.3d 466 (5th Cir. 2011) ("Southgate I") Taxpayer victory. At the conclusion of the trial, the court stated on the record: "These are very good lawyers that did an excellent job . . . And I don't see that all the time, but these guys really know what they are doing."