On Tax—Kiran Sheffrin of Cravath

Len Teti: Welcome to On Tax—A Cravath Podcast. I'm Len Teti, a partner in the Tax Department of Cravath Swaine & Moore, a premier U.S. law firm based in New York City. On each episode of On Tax, I talk to professionals in the Cravath network about their life and work in the world of tax. We focus on the human side of tax law, highlighting the people, connections and stories that make the space such a fascinating and dynamic area of practice. I hope you enjoy this episode.

Today we're joined by Kiran Sheffrin, who's a senior attorney in the Cravath Tax Department. Kiran, thanks for joining us, and welcome to the podcast.

Kiran Sheffrin: My pleasure. Thanks for having me, Len.

Len: So, Kiran, tell us about your background in the law.

Kiran: Well, I've always wanted to be a lawyer. I actually have a video on my phone of me and I think I was around six or 10 years old. And my mom says to me, "What do you wanna be when you grow up, Kiran?" And I say, "A lawyer."

And she goes, "A lawyer? We don't have any lawyers in our family. Why do you wanna be a lawyer?" And I said, "To sue people." And I have no idea where this comes from. I think I probably watched a little too much Law & Order when I was a kid and there were a lot of prominent cases going on TV. So I always knew I wanted to do something with the law.

But you can't be a lawyer when you're a kid and you can't be a lawyer in college. So, in college, I was an economics major and took all the requisite classes I thought would look good to become a lawyer. And my first foray into tax and tax law was actually an internship I had in college.

When I was in high school, I did a program called Economics for Leaders by the Foundation for Teaching Economics. My parents are both economists, and so, I went to econ camp when I was in high school. And as part of the program, they check in with you when you were in college and they say, "If you want an internship in Washington, D.C.," where, you know, everyone wants to be in college, "then we'll help you get placed with some sort of economics-related internship."

So I filled out a basic survey and they placed me at the Tax Foundation. Not all the internships were about tax, so it was just kind of fortuitous that it was about tax. And the Tax Foundation is a tax policy think tank and they do a lot of work on state and federal tax policy.

They do a lot of surveys, they collect enormous amount of data, they do a lot of in-depth reports about business tax climate indexes and stuff like that. And so, there, I got a lot of exposure to tax law and really from more of a policy perspective, how tax law affects people's daily lives. You could have like a jock tax…

Len: For athletes traveling into certain jurisdictions and playing games?

Kiran: Yes, exactly. And when I was there, I actually wrote an op-ed article—they helped me place it in the Boston Herald, which was cool. It was about an all-star game that was being played in Boston and how Massachusetts was trying to tax the players who are playing in the game because they were there, but also the people that got all-star bonuses that didn't even play in the game.

So it's kind of interesting and there's lots of different analyses the Tax Foundation does, and so they really let me kind of explore my interest within that. But the technical tax side came out a little, too. They do a lot of very technical analysis, and I noticed that all the people there who were really digging into the details were lawyers, and so I said, "Huh, tax law. This is something that I could focus on in law school."

So I took the LSAT, I went to law school, and one of the first people I met in law school was Rebecca Kysar. And Rebecca Kysar is a wonderful professor. She was at Brooklyn Law School and then she moved to Fordham. And most recently, now, she has taken a leave from Fordham for government work and she's the new Assistant Secretary of Tax Policy in the U.S. Department of Treasury.

At the time, she was just a tax professor and I took a bunch of her tax classes, and I actually became her research assistant. So Rebecca Kysar became a little bit of a mentor to me in law school.

Len: I should probably stop here and tell our listeners that Rebecca is also a Cravath alumna. She and I were in the same class at Cravath, and we were colleagues as tax associates for a couple of years before she left to go become a law professor.

So, just to sort of sum up what we've heard so far, you always knew you wanted to be a lawyer, and then in college, you had this exposure to tax, tax law, tax policy. And rather than sort of running away in the other direction, you sought out more tax experiences in law school and happened, fortuitously, to cross paths with Rebecca.

Kiran: Exactly, and, you know, I focused on lots of different things in law school, but tax kinda just kept following me around. And then I also decided I wanted to clerk, not in the Tax Court, but just in any court, and so I applied for lots of clerkships and I ended up getting a clerkship with Ralph K. Winter on the Second Circuit Court of Appeals.

And that had nothing to do with tax, and people asked me, "Oh, well, how does clerking prepare you for being a tax associate?" And I said, "Well, it doesn't have anything to do with tax, but it does make you a very good lawyer and it prepares you for the practice of the legal profession." And with my clerkship, I still didn't really know that tax was something I wanted to focus on. I really was more focused on clerking for the judge and prepping for that because, let me tell you, that is kind of a daunting experience—being the judge's right-hand man or woman for a year.

And it wasn't until after I had gotten my clerkship that I sat down with Rebecca Kysar again and she said, "Look, I'm not gonna pressure you into going into tax law. But if you are interested in tax and corporate tax, I have a few people who would really nurture you as a lawyer. They'll really challenge you and they'll really help you a lot as you advance in your legal profession."

And she said, "Well, just, just go meet them." So, I went and I interviewed with a bunch of people at Cravath, including Steve Gordon and Lauren Angelilli and you, Len.

And I really liked the way you guys described the practice of tax and, really, you know, fell in love with the way the Firm nurtures their lawyers. And I actually even remember, Len—you probably don't remember. But in my interview with you, you sat me down and you said, "You know, I don't think you probably understand what we do here. Let me show you what we do on a daily basis." And you took out a yellow legal pad and you drew out boxes. You said, "See this box here and see this box here?"

And then you posed to me a question that you would ask of a first-year associate. And you said, "This is treated like this and this is treated like this, but what I need to know is if you do this?" You know, and I don't exactly remember the details 'cause at the time I had no idea what was going on. I hadn't even taken corporate tax.

So you showed me all these boxes and you said, "I'll just send you away and you're gonna come back to me with the answer." So I thought that was really interesting. And you didn't scare me away too much.

Len: It's interesting that you remember that. I do that every now and then in interviews. I generally do it when I have decided that this is somebody who I want to recruit and not just sort of interview. This is somebody who I want to give a fair sense of what it would be like to work with us. I'm certainly not trying to test any knowledge, but what I'm trying to do is give someone a sense about what would it be like to work on a problem with me coming across my desk or across my conference table?

I want to give people a fair sense about how I try to explain issues. How I try to teach, to some degree, and I want them to feel, ideally, a certain level of comfort in that exchange. On the other hand, if they get a sense that, wow, this is too intense or not quite what I'm looking for, to me that's almost as valuable. Because, again, I'm trying to give a fair sense in that moment about what it's like to be an associate at the Firm. And it doesn't do anybody any good to not do that, and have somebody show up and be surprised.

So, I'm glad that you weren't scared off by it, and I'm also glad that you appreciated that it was an opportunity to learn about what it would be like to work with us, and hopefully now that you've worked with us for so long, you feel like it was realistic. and working across my desk is a lot like that.

Kiran: Yeah, I think it is. And I think it's really important to give young lawyers and law students a real sense of what it's gonna be like to work with each other and then the subject matter, because it's really hard as a young professional to know what the job is gonna be like. And if you can give some semblance of that in an interview, I think that's really helpful.

And, you know, I was always like a "rise to the occasion" type of person. In college, I did well and tried hard, but when I got to law school, which, like I said, I always knew I wanted to be a lawyer. I was like, this is the time. This is the time to rise up and do your best. And I also knew, coming from Brooklyn Law School, I had to work really, really hard, and I had to be at the top of the class and do my best. And I feel like when I started at Cravath, I thought the same thing. I said, "I'm really fortunate and lucky to be here, and I'm gonna work, and I'm gonna make sure that my colleagues and the partners really feel like they can rely on me and trust me. And, you know, I'll rise to occasion."

And so, I like that environment, and Cravath really fosters that environment. You have to come in and rise to the occasion on day one, because people put a lot of trust in you to get things done and do things right.

Len: One of the things that I admire a lot about you, Kiran, is the hard work you put into each task that you do, and beyond that, the ambition that you have to be successful. You know, lawyers see that a lot. And in law school, of course, we see a lot of people who have a very gunner personality to achieve and get all the best grades, and the best job offers and everything. And a lot of times, that comes with an edge and unpleasantness in somebody's personality or personal characteristics that makes them repel people.

And you don't have that, obviously. You are a great colleague. You have a winning personality, and it's a great lesson to the younger lawyers who now look up to you as a role model that you can be an effective lawyer and a great lawyer by working hard, without bringing with it an unpleasantness. It's an important thing for young lawyers to see, because you mentioned Law & Order before. So many dramatizations of the legal profession include prosecutors slamming tables and defense attorneys slamming doors and, you know, at Cravath we do want to work hard, and we do want to be motivated to excel, but we wanna do that in the context of a team. That combination of attributes is certainly part of the reason why you've been so successful here.

Let me ask you, then, you came to Cravath with probably more background in tax than many people, right? You had a lot of these experiences even before law school. You had mentorship in the form of Rebecca. You had this unusually detailed interview. When you arrived, what was your expectation about the Firm and your experiences as a junior associate, and what was your experience? How did those experiences match up with your expectations?

Kiran: Well, it's a scary thing to start at Cravath and to start in a big law firm. I think there's a lot of expectation that you're just gonna be just kind of a cog in the wheel, and you're not gonna get a lot of exposure to important things quickly. And that was really the opposite of what happened. When I started at the Firm, the Firm obviously puts a lot of responsibility on you and you're doing substantive things from day one. It just happened to be that I got put on a deal with you, Len, right at the beginning of when I started that lasted maybe five or six years.

But I was put on a deal that was very active. It was very important to the Firm and important to you guys. And I was able to hit the ground running. And I didn't realize before I came to the Firm how team-oriented everything is. I mean, when you're working on a deal, you're really working on a team with your colleagues and your partners and the corporate team, and it's really a team environment, especially at Cravath. Cravath really fosters an efficient team because everyone really can rely on each other and trust each other.

And so, I joined this team and there is, you know, two tax partners, a very senior tax associate, a mid-level tax associate and me. And I was included on every call with very important people at the company, very important other lawyers that we were consulting. And I always got to sit in. I always got to participate. And that exposure from day one is just something that I did not expect to be included in. And that team kinda vibe really has continued into the practice, and I really try to foster that with the junior associates, too, when I work with them. I always try to make sure that everyone feels like we are on the same team.

Len: You've given a good example of a large team on a large, important matter. But what was your experience with some of the less elaborate, smaller matters that you worked on largely on your own, or with the support of a partner who's supervising you? What was that like?

Kiran: Well, you're really thrown into the deep end.

Len: There's only one end of the Cravath pool.

Kiran: Right. And at the beginning, I remember sitting with my office mate and getting an email from either the partner or the corporate team saying, "Hey, can you review this OTP?" And I just look at my office mate and I said, "Do you know what an OTP is?" You know? Or like, someone said, "Oh, can you review this DON?"

And just for everyone who doesn't know the lingo, an OTP is an offer to purchase, and they were doing a consent solicitation for a debt offering. And a DON is the description of notes that goes into a debt offering. So, this lingo you don't know, and other people at the Firm, they don't know that you just started two weeks ago. And they expect you to be proficient in a very short period of time.

So, in those experiences, it was very difficult to try to get up to speed. But, luckily, you have a lot of support from written materials, from CLE materials, and also just colleagues: first years, second years, other people who have been in your shoes recently. And you have a little village. So, they say like it takes a village, it takes a village to raise a tax associate at Cravath. And that's how you get through it.

Len: That's another point worth stopping on, especially for younger lawyers who are just starting out. And it doesn't matter that we're talking about a tax practice. Any practice where you start out at a large law firm, there's gonna be a lot of substantive law you just don't know. There's gonna be a lot of political war internally at the firm or externally with this particular client that you don't know. And even to the extent somebody tells you, you can't fully understand.

But as a young lawyer, it doesn't take very much to show up on time. It doesn't take very much to show up with a notepad and a pencil. It doesn't take very much effort to think to yourself as a conference call is swirling with a large group of people, "How can I be useful to this group right now?" And you might jot some notes during the course of that call. And at the end of the call, you might say, "Hey, it seems to me that a little chart might be useful, and I scratched out this little chart. And would it be helpful if I polish this and sent it around?" You know, most every team or working group, that kind of initiative, really, is going to be admired, welcomed, and it's gonna be worthwhile. Now, you know, one time out of ten, somebody might say, "Oh, we actually built this chart last week so here, here it is." But nine times out of ten, I think the group is gonna be impressed with your, frankly, just attentiveness to what's going on around you.

And any young lawyer can do that without substantive knowledge of the area that's being studied. That comes with time and experience.

So, I wanted to make sure that people understood that it's not all overwhelming terror starting at these law firms. Instead, there are certainly things you can and should be doing that are totally within your skill set as a young lawyer in a professional environment like that.

Kiran, you then became a very effective and useful mid-level associate. Can you talk about, as you started to learn more about the substantive area of the tax law, how your responsibilities changed and how our expectations for you within the Firm changed as well?

Kiran: Yeah. When I finally could figure out what was going on and slowly taught myself corporate tax and some of the other areas that we focus on at Cravath, I started to really kind of understand why we do the deals the way we do them, and that really helped me become a better lawyer and a better advisor to clients.

So, once I really could understand, not just like doing markups. Once I could understand why we do the structures and the commercial reasons for doing different things different ways, why covenants are written different ways. It really enabled me to work with the clients more and that was something that I think is important when you go from being a junior associate to a mid-level.

You know, you talk to the clients more. Your responsibility is get on the phone with some of your clients and walk them through the representations and the covenants, and certain structural elements of the deal. They may ask you, "Why do we have to take this route? Why is the buyer or the seller asking for this? Why do we have to structure something in this way?"

And when you finally have some competence about the substance of law, you're really able to engage with them more and feel more comfortable getting on the phone with them.

One big difference between being a junior and a mid-level for me was getting to work with the junior associates and kind of teaching them the ways that I was taught. You know, I had some amazing teachers; I had some great mid-level associates kind of bringing me up.

Kara Mungovan, who is now a partner, was a senior associate and she spent an enormous amount of time with me on various different deals, teaching me substance of law and why certain covenants and drafting is done a certain way. And one time we sat down, it was a deal where the precedent was all jumbled. And she said, "You know what, let's just go through and let's draft"—this is gonna sound really boring—but she said, "Let's draft our ideal tax return provision, who's gonna file each tax return."

And we sat there for like two hours drafting out the ideal way of doing it, and said, "Well, how about this way? How about this way?" And that's the way I do it now. So, when I talk to the junior associates now, I explain, like, you can draft this however you want, but this is the way that I found works practically, very well. And so once you have a basic understanding of the law and why things are done the way they are, you can start to put the icing on the cake on the way you practice, and then really develop like your personality as a lawyer.

Which, it's very hard to do when you're a junior because you're just, you're trying to tread water and stay above water. And you're finally able to come up with your lawyering style. I became a lot more comfortable when I was able to do that because I can let my personality shine through. I can be more collaborative and, you know, I really like being upbeat, positive. And, so, finally when you're confident enough to do that, you settle in a little bit and it's a lot more comfortable.

Len: Right, and at the end of 2020, the Firm elected you as a senior attorney, which was a huge thrill for us, and congratulations on that. And now your status as a mentor in that way is sort of formalized, but for many years it's been de facto. So, at this point, you are at a point in your career when you have a lot of autonomy in what you are doing. You have a lot of responsibility to mentor the junior associates, and I know that each of them appreciates that.

You now have an opportunity to answer a question that I've liked to ask a lot of our guests, and that is, what do you think the most effective tax lawyers do well? In your experience, what have you observed about people who are doing the job at a high level?

Kiran: Well, I think there's a couple things. One answer is something that I think a lot of people say, so I won't spend too much time on that. But it's an effective tax lawyer is someone who can take a complicated topic, they can explain it very simply and communicate it so a business person can make a commercial decision. I think a lot of people say that.

Len: You're right. That is a theme, but it's true.

Kiran: It's true, so I don't want to miss that because I think that's like really important and it's a skill that people should work on. But another thing that I have noticed that really amazing tax lawyers do really well—and I've observed this at our Firm but also other firms that we've worked with closely on the other side, or on our side—is that people have an ability to juggle things at the same time while maintaining a real level of excellence.

So, you may say any corporate lawyer has to juggle a lot of things at once. You have documents flying around, you have disclosure documents, you have to talk to the business people, you have to talk to the board. But in tax, you have all of that stuff, but then you also have these really hard substantive issues that you're battling with in the background, and people are asking you questions at an extremely fast pace.

Emailing you at all hours—they, you know, are asking you things that they think are pretty simple answers. Like, "Hey, is this tax free? Can we do this? Can we have a meeting here? Can we do that?" And you want to give them a quick response because that's the pace of the deal and that's what people expect of you. But sometimes there's a lot of facts that we need to know. There's a lot of judgment calls, there's a lot of things that aren't clear in the regulations and in the code that you have to use lore to understand.

And so, you have to be able to balance this fast-paced, corporate M&A lifestyle with this very technical background. And you can't say, "Well, I need a week to think about this, I'll get back to you." So, learning how to juggle that and give people really good advice quickly, and then circling back for more facts when you need to, that's I think something that when lawyers do that really well, tax lawyers do that really well, I really like admire and strive to be like that.

Len: That's a great observation, Kiran. Thanks. So ten years ago, you were a 1L at Brooklyn Law School, right? Just trying to figure out how to get through that. What advice would you give to a 1L today who wanted to be doing in ten years what you're doing now?

Kiran: That's a good question. I think that they should just put in the time and the hours to work with your colleagues. I mean, you'll get the experience you need just by going through the motions. But, I think if you really foster relationships with your colleagues, become friends with them, have a collaborative relationship with them and learn from the people you're working with, it'll be really beneficial.

And I guess my piece of advice would be just to not to be too stressed out, and like, have your own life, because, looking back ten years, if I hadn't gone on vacation, if I hadn't done stuff with friends, if I had just only focused on being a gunner and trying to be the best, I think I would've missed out on a lot of life. There's a lot of stuff that's happened in my personal life that's been amazing the last ten years. So, I wouldn't want people to kinda ignore their personal life and put everything on the back burner and only focus on law and their career, because I think it's important to be a well-rounded, happy person.

Len: Well, that's a perfect segue into the way we like to end our episodes, Kiran, and that is by talking a little bit about what our guests like to do outside of the law practice. Of course, Cravath is well known as a place where people work hard, and we do work long hours, particularly when we've got a lot of deals going. But when we don't, we do like to do things other than work. So, what do you have going on in your life these days that is a good distraction from work?

Kiran: So, these days, you know, I've been spending a lot of time at home, as we all have. And getting to spend that extra time with my family, not having to commute to the office is spectacular. But because of that, I've actually been spending a lot of time cooking. And cooking is actually one of my passions, I don't even know if you know that, Len.

Len: I don't.

Kiran: We've known each other for a long time, but I love to cook and I find it very relaxing. And it's my creative outlet, so, you know, I'm not very good at art or not very good at music. But my creativity really comes through cooking and creating new recipes and stuff like that. I'm always adding my own flavors and textures to like a basic recipe—a lot, like, cardamom or turmeric, or, you know, all these different kinds of spices and mix-ins to like, to everything. Even like traditional family recipes that my family's been making for years and years. You know, my mom came to visit around Thanksgiving, and I cooked her some of the dishes that she really taught me how to cook, and she's like, "This is nothing like what I taught you." I said, "I know, I had to put my own spin on it." And so, I've been doing a lot of cooking, which is amazing. I've actually been taking these online virtual cooking demonstration classes, which I find fantastic, and they didn't exist before quarantine, and now, as a way to support more local businesses and restaurants, you can take these cooking classes with these famous chefs. So, one class I took recently was with Alon Shaya, who has these great restaurants—he has two in New Orleans, which is where my family lives, and it's an Israeli restaurant, and he also has one in Denver. And so he did a hummus cooking class, where he taught you how to make the perfect smooth hummus. It was incredible. It also took hours to do, which, I don't know if many people have the patience to spend hours on hummus, but if you do, I highly recommend that.

And then, for Valentine's Day, we got a kind of a meal kit from Loring Place, which is another great restaurant in the city that we've been to before, and they taught you how to put together everything from baked mussels to sea bass, different salads and whatnot. It was really cool. And then, actually, at Cravath, I'm a member of a lot of affinity groups for different things. And so, as part of those affinity group events, we often do cooking classes. So I've done a handful of cooking classes with them. We made this amazing roasted cauliflower with a tahini and avocado dressing one time, and the Asian American group put together noodles from Xian's Famous Foods, so they're hand-pulled noodles. And we had a demonstration where we got to hand-pull the noodles, where you pull them with your hands all the way—I think it's five feet—and then you slap them on the counter. They're kind of like a gummy noodle, and in Chinese the name of the noodle actually translates to "slap-slap noodle," 'cause you're like, slapping the counter with the noodle.

So it was really, really fun to do that. So, yeah, there's been a lot of, like, opportunities to not just cook your own recipes recently, but to take these online cooking classes, and I think I'm gonna continue to do them, and hopefully they continue to offer them. So it's really interesting.

Len: That's great. Do you have a go-to recipe at the moment, or something that you've really enjoyed making recently?

Kiran: Um, I kind of mix it up. I just got an order from an Asian grocery store and I made this amazing lentil soup. It has lots of turmeric and ginger, and I put spinach in it, and it has all these different Indian spices. So my signature dahl, which is Indian lentil soup, is really good. You'll have to try it someday. And turmeric's very good for you.

Len: Great. Really great. Very interesting. Kiran Sheffrin, the senior attorney in the Tax Department at Cravath has been our guest. Kiran, thanks so much for joining us. It's a pleasure to catch up with you, and we'll see you around the office or on Zoom sometime soon. Thanks.

Kiran: Thanks for having me, Len.

Len: That's all for this episode of On Tax—A Cravath podcast. You can find us online at cravath.com/podcast, and don't forget to subscribe on Apple Podcasts, Google Podcasts or Spotify. I'm your host, Len Teti. Thanks for listening.