

On Tax—Amanda Gold 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 this space such a fascinating and dynamic area of practice. I hope you enjoy this episode.

Today, we're starting a new season, and our guest is Amanda Gold. Amanda is a partner at Cravath, in the Executive Compensation & Benefits Department. Amanda, welcome to the podcast, and thanks for being here.

Amanda Gold: Thank you, Len. Happy to be here.

Len: We're glad to have you. So, tell us, Amanda, how far back do we have to go in your life to start learning about how you set a course for the tax law?

Amanda: Very early. I'm one of these people who wanted to be a lawyer from a very young age, probably as early as I can remember. And the background is, I have a number of lawyers in the extended family: two uncles who were very different career-path than me, but county prosecutors that bled into some defense work and plaintiffs' work. But I had a lot of exposure to that, and it was very respected in the family.

I think we can go even farther back in time. I had two grandfathers who had to stop schooling early due to the Great Depression, and the respect and the admiration they had for their children becoming lawyers and going through this extended education, it was very present for me growing up. So, lawyer was always on the table as something that I would do.

Len: Are there others in your generation, siblings or cousins or something, who felt the same way and also became lawyers, or are you the only one?

Amanda: I'm the only one.

Len: So, what did you do with this sense that being a lawyer was your goal and was appealing to you? How did you find your way to it, personally?

Amanda: I was a business economics major in college. I liked the classes—I thought it would be as good a path as any to eventually attending law school.

Len: And then in law school, how did you find your way to tax? Did you take classes, or did you come to it another way?

Amanda: Couple ways. Initially, as you know, first year of law school, it's very litigation-focused. It's so much case law. I liked that. I took a general fed tax course, I think first semester my 2L year, and I loved that. I loved working through the tax regs and doing these problem sets in a way that I never felt about reading the cases in my civil procedure class or in contracts.

Continued with that in selecting coursework a little bit. Securities reg, I loved, which is very relevant to the exec comp practice. A lot of business organizations courses that I really liked.

The second piece, and I think this is somewhat unusual for an exec comp lawyer—I had a family friend who was an exec comp lawyer in the qualified plan space, which is retirement plans, something very different than what we do here at Cravath.

But he had said to me, "Look, you should explore exec comp." And the kicker was the fact that very few people want to do this. "A lot of people, particularly in law school or outside of big law, they don't even know what it is." So, it would be an area with a lot of opportunity, and that resonated with me, and it's been very true for me in my career.

Len: On the one hand, I get that as a pitch. On the other hand, it's not the best pitch to say, "You should definitely do this, nobody wants to do this." I suppose that maybe he meant something slightly different. So, one of the unique parts of your story as one of our Cravath guests is that you really didn't start your career at Cravath. You came to Cravath in the last couple of years.

And so, I'm interested to hear about your journey through a professional legal career in an outside law firm. How did you evaluate firms you were looking at when you were coming out of law school, and then eventually, we'll talk about how you found your way to Cravath.

Amanda: Sure. So, I'm from Phoenix, Arizona. Went to undergrad and law school in Arizona. 2L year, interviewing for summer positions, I was focused on Arizona firms for the most part. I had a summer position with Snell & Wilmer in Phoenix, which is a large regional firm in the western United States, southwestern United States.

The summer program at Snell & Wilmer was, I think, a bit unique. Each week of the eight weeks, 10 weeks, was a different project from a different practice group.

So, I had a bankruptcy project, I had a real estate project, a corporate project, et cetera. I asked for an exec comp project, for a project from the exec comp group, and, continuing with the theme, the practice leader of the exec comp group at that time tried to talk me out of taking the project.

I met with him, he said, "Here you go, you don't have to do this." Because I think it was rare for them to have a lot of interest from a summer associate. I took the project, I joined the group, the rest is history.

Len: So, wait, so you expressed interest, but they didn't want you to take the project because what, they didn't want you to not like it and then lose your interest or what?

Amanda: I think so. I think so.

Len: Another amazing pitch: "You should come work for us, but definitely don't do any of the work that we have to give you."

Amanda: Yes. So, I joined the exec comp group at Snell & Wilmer out of law school. This was 2007. I did actually a lot of qualified plan work, which is very tax-focused: pension plans, 401(k), something I don't do much of these days. But my practice, it was partially that.

And the other part, which was very interesting, was I guess good luck in timing, a lot of 409A work. Exec comp people, other folks on your podcast in the exec comp space, we always talk about 409A.

That code section, the regulations were finalized right around the time that I was starting to practice, and clients would send ... this was pre-Dropbox and things like that. I would get boxes of employment agreements from clients that I would have to amend for 409A, which was a really good and interesting way to learn that code section very well.

And I counsel young associates from time to time that they perhaps have to work that much harder to learn this very important piece of our practice, because they don't have that opportunity. They weren't around right as this was being finalized and as everyone was figuring that out.

Len: It's a good point that's come up a couple of times on our podcast, which is serendipity, good fortune, and also: when you are a junior associate at a time when some important law change occurs, you end up becoming the master of the new law even faster and maybe better than the senior lawyers you're working with.

We saw something like this in the tax world with the tax reform changes in 2017, when the international tax system changed dramatically. Some of our junior associates who were doing research for deals and projects ended up becoming really quite masterful at this stuff.

And I think I remember as a junior tax associate in 2006 and '07 that 409A was happening in the benefits world. And I remember a lot of attention being paid to it, a lot of trainings being dedicated to it. And so, if you just think, like if you're a junior benefits associate who's working on the trainings and working on deals and doing all these tasks, you end up really getting a familiarity with the subject matter.

And for something like 409A, you never know which is the thing that's going to be there forever. Like 409A has dramatically changed the way that you think about the tax issues in your practice, and it has lasted for 15 years, and it's not changing.

So, to become a master at that ends up being incredibly useful. And so, if you combine good fortune on the one hand, and hard work on the other, you end up becoming a very kind of potent mind in a department like this. It sounds like that was really your experience.

Amanda: It was, and it was very fortunate with the timing there.

Len: OK so, how long were you at Snell & Wilmer? What were you thinking as you became more senior, as you kind of developed your skills and you started to think about what the next steps in your career would look like?

Amanda: I was there about three-and-a-half years, and I liked the work, but there was very little M&A work. And in our practice, M&A is half of what we do or more, on some days, certainly. So, I was looking for opportunities to do some M&A work. An opportunity at Morrison Foerster in San Francisco presented itself. So, I moved to the Bay Area and spent over a decade at MoFo in San Francisco.

Len: So, in that time you're making a big move. I mean, you're moving your family to a different city, you're committing to a new big law firm as the part of your career that is going to become the accelerated, senior associate, going-up-for-partner kind of part of your career. And I know that you eventually became a partner at MoFo.

So, tell me, what do you remember about that experience? What do you remember about working with new people? What do you remember about the different types of matters you were working on and about the decision to really stick it out and go for partner and then make it? How was that part of your career?

Amanda: So, the pace was certainly very different than what I had been exposed to at Snell & Wilmer for the first couple years of my career. A lot of M&A work, a lot of startup work, a lot of that classic Silicon Valley, Bay Area startup work. MoFo has a big international presence, so I would be working with Tokyo, and the Bay Area, New York, London, sort of all in one day. The pace was very exciting.

Len: Was there a particular mentor there that really helped you acclimate?

Amanda: The partners in the exec comp group, certainly many corporate partners, took me under their wing, gave me great exposure to a lot of exciting clients based in that part of the world as well as some of this international work.

I always loved the Tokyo work that would usually be M&A work, kind of these legacy Japanese companies often purchasing their first foray in the U.S. So, they needed a lot of education on how stock options work in the U.S., how the benefit plans work, how you transition employees from a U.S. public company to being a subsidiary of a very longstanding Japanese public company in a lot of cases.

Len: It seems like kind of a communication point. It's also a point about making sure that the person you're talking to can act on the advice that you're giving and the guidance that you're giving. That really brings me to a question we've asked many of our guests, and I'll ask you too, which is: In your experience, what do you think it is that the best tax lawyers do well? What sorts of characteristics do you think the most effective tax lawyers share?

Amanda: Two key things. The first, and this is something Cravath does particularly well, is taking these very dense, very complex concepts and communicating them in a way that a non-lawyer, perhaps an HR professional, an executive, a CEO, a non-U.S. client, et cetera, and communicating them in a way that these constituents can understand and making it relevant for them. That's the first.

The second is organization. You know, that sounds very simple, but there's a lot of moving parts in exec comp in particular. We are dealing with securities rules. We are dealing with tax rules. We're dealing with labor and employment, almost litigation concepts around restrictive covenants.

So, keeping all of those rules in your mind and in your outlines, in your documentation, keeping those clear and remembering how they work together. And it's analysis, but I think organization is the initial step in that.

Len:

I think that's a really good point. I say to some of my associates all the time, "This is simple, but it's not easy." Right? In other words, it's to say what we have to do, we just need to get the other side to agree with us or we need to get the client to understand all these issues.

It's kind of a simple thing to say, but as a matter of process and execution, it does require a lot of organization. Sometimes it's traditional organization: to-do lists or meeting agendas. And other times, it's just no, we have to do first things first.

We have to tackle the biggest, most complicated commercial issue first, and then when that's kind of settled, it'll be a lot easier to deal with the smaller stuff. Sometimes, it's the opposite. Sometimes it's like: "We know we have this huge issue we're going to have to deal with. We can't sign this deal until we resolve it. But it's no use fighting about it now, let's deal with all the little things first, kind of build a rapport with the other side, and then we'll tackle the big issue at the end."

I mean, every situation calls for something, I think, a little bit different, but it does boil down to what you say, which is sort of staying organized and making sure other people know—if they don't have to know your whole plan, at least they know that there is a plan, and they know why you're doing what you're doing. It's a good point.

OK, so, now, you've been at MoFo, you make partner at MoFo, you have these mentors, you have this really interesting work. And then, I know that sometime a couple of years ago, you had the opportunity to move all the way across the country with your family and start a new role, a new career, a new chapter at Cravath. Tell me how that developed and what sorts of things you considered as you thought about making that move.

Amanda:

I remember it was New Year's Day 2021, I think, just a few years ago. I was ready for a change. I was ready for different challenges, and I had been thinking about how to do that at MoFo. How can I take on more mentoring, how can I do more business development, how can I structure this exec comp group to make it my own? So, that was on my mind.

The opportunity at Cravath came up, and I was obviously honored to be considered, and really, I thought nothing better than this will come along.

I think geographically, my family was perhaps ready for a change—pandemic and all of that. The East Coast sounded interesting, it sounded like a good fit. My children are pretty young. They were very young at the time, so it's not as if I'd be pulling someone out of high school to move them across the country. So, seems like a theme in my career, but the timing was very good, and the opportunity was right.

Len:

We've spoken to so many people on the podcast who started their careers at Cravath. We've talked to many people on the podcast who made partner at Cravath and came up through the system. We haven't spoken to very many people who had careers and experiences in other places and then came to Cravath.

And so, what I'm wondering about is: how have you found it relative to your expectations? I mean, I assume that the law, the legal problems, the documents, that kind of stuff, is similar. What strikes me as maybe different that you might comment on, is that we generally only hire associates out of law school.

But I wonder—as you've had some time over the last couple of years to experience our Firm, our practice, our clients—what are some of these things that are kind of notable to you?

Amanda:

Sure. There's about three things. Obviously, the client base is somewhat different. I've shifted a bit from these Bay Area tech companies and, you know, there's nuance there, but as you noted, not altogether that different. An M&A deal, a divestiture—that looks somewhat the same across law firms, across different industries, across different geographies.

The second is what I will call “process.” And this goes in part to something you said: that most of the associates are homegrown, most started here out of law school. That’s true into the senior partner ranks. Most people have been working together for many, many years, and that’s very evident in the process.

And by that, I mean the way the practice groups work together. If I need to talk to you about issues that cross both exec comp and tax, many come to mind. We have one right now, profits interests are another one that I view as sort of this hybrid exec comp tax issue.

I come down the hall, I get someone on the phone right away, we come together very quickly, and we think about it similarly. And I would say that’s not true at all firms. It’s not a commentary on talent.

It’s just that someone might be sitting in New York and I’m sitting in San Francisco, and it’s just a little bit harder to connect. And that person’s also a lateral and I don’t know them as well. And we have to go through this process of getting initially on the same page to solve the problem.

And with that, the associates having grown up here, or at least most of them having grown up here, they know what to do. I don’t have to worry that things are getting missed, because it was very obvious to me from probably week two or three at Cravath that people know what their role is in the deal or on the project and they take that very seriously.

Len: And particularly, for associates, even junior associates, we hire for and then train associates who can really lean into work streams and execute at a high level early on in their careers. And so, there isn’t a sense that people are waiting to be asked to do something, but rather, always thinking about like, “What can I do right now to contribute to what this team is doing? How can I help?”

So, one of the things we like to talk to our guests about before we close podcasts, Amanda, is what they like to do in their spare time when they’re not practicing tax. Tell me, how are you spending your time when you’re not doing tax?

Amanda: As I mentioned, three young kids, and I sometimes joke that this job is my hobby. But I have a commute that can feel a bit daunting at times. So, I read a lot on the train, a mix of non-fiction, fiction.

One of my favorite books is *Thinking, Fast and Slow* by Daniel Kahneman, which I think is actually very relevant to the practice of law, and then a transactional or a tax practice specifically, as you think about human behavior and negotiations, and things like that.

Len: Tell me about that. I’ve read the back cover of *Thinking, Fast and Slow*, and I know about Professor Kahneman’s work because I remember sitting in on some of his classes when I was in school. But tell me about how you think about that.

Amanda: He talks a lot about these anchoring concepts, and I talk a lot to the associates about that, particularly in a merger agreement. This happened recently, we were on the sell side.

And I said, “Look, we can stay silent on a lengthy rep dealing with this. We know buyer will demand it: why not give something now, and then we control?” And this is what Professor Kahneman calls the anchor. “We’ve now anchored the negotiation with something we’re comfortable with, and most likely that won’t be rejected for something new. We will tinker around the margins or just beyond that.”

Len: That’s a great strategy. I mean, a lot of times that’s why one law firm prefers to draft the first draft of an agreement rather than the other, right? That’s really useful.

Well, our guest today has been Amanda Gold, our partner in the Executive Compensation & Benefits group at Cravath. Amanda, really happy to have you on the podcast, thanks for joining us.

Amanda: Thank you for having me.

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