

OCS Weekly Bulletin

Upcoming Events & Career-Related Articles

What's Inside

Upcoming Events,
Page 1
Career-Related Ar-
ticles,
Page 2, 3, 4,
OCS Staff Info,
Page 5

About OCS

The Office of Career Services (OCS) serves as a bridge between students, alumni and employers. The staff helps students and alumni to shape and realize their career goals. We also provide counseling, workshops and resources on judicial clerkships, international opportunities and non-law alternatives.

OCS is open Monday through Friday from 8 a.m. to 5 p.m. The office is located on the first floor in Room 143 in the Law School's office building on Nathan Abbott Way.

Upcoming Events



ASIAN AMERICAN BAR
ASSOCIATION
OF THE GREATER BAY AREA

CORDIALLY INVITES YOU TO THE

AABA 20TH ANNUAL

SUMMER LAW CLERK RECEPTION

RECOGNIZING SUMMER ASSOCIATES AND LAW CLERKS
IN THE S.F. BAY AREA AND HONORING
AABA'S 2007 SUMMER GRANT RECIPIENTS FOR THEIR
DEDICATION TO COMMUNITY SERVICE AND CLIENT ADVOCACY.

THURSDAY, JULY 19, 2007
6:00 – 8:30 PM
YANK SING RESTAURANT

RINCON CENTER LOCATION
101 SPEAR STREET AT MISSION STREET
SAN FRANCISCO

WE HOPE YOU CAN JOIN US!

FOR MORE INFORMATION, PLEASE CONTACT:
EDDY CHAN AT
echan@mofo.com
OR
DAVID SOHN AT
dsohn@skadden.com

Career-Related Articles

- All in Favor of Axing the Billable Hour.....Page 2
 - Firms Must Adapt to Shrinking Securities Fraud Litigation.....Page 3
 - Growth of Infrastructure Funds May Lead to M&A Business.....Pages 3-4
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All in Favor of Axing the Billable Hour...

Zusha Elinson
The Recorder
06-07-2007

A group of Heller Ehrman lawyers is making bold recommendations -- including doing away with the billable hour -- to keep women from leaving their law firm careers.

Countering what has become known as the "opt-out revolution," in which women ditch corporate America mid-career to be homemakers, the attorneys created what they call the opt-in project.

"We wanted to shift the discussion in this country from why women opt out to why women should opt in," said Patricia Gillette, a longtime Heller partner who spearheaded the project. She delivered her remarks Thursday evening to a packed ballroom at the Palace Hotel in San Francisco, where the group presented its findings.

Studying how other professions have tackled the issue, the group laid out steps to eliminate obstacles -- like the inflexibility of the hours-heavy grind and the low percentage of female leaders -- that it says discourage women as well as an entire younger generation of lawyers from making a career at a big law firm.

Perhaps the most radical suggestion made by the opt-in project is to get rid of the billable hour. Lawyers should be measured by their productivity and efficiency instead, the group said.

"It's a huge issue for woman and that's because we still live in a world where woman still have more responsibility for raising children," said Gillette. "It may cut into the hours you can bill, and yet it may not cut into your productivity."

Although many say the billable hour harms both lawyer and client alike, few believe that the deeply ingrained currency of lawyer value is going away anytime soon.

"I think it's a very good idea in theory," said Ronald Beard, a law firm consultant with the Zeughauser Group. "The question is how -- I think it's going to be hard to do."

Although Heller Ehrman sponsored the opt-in project, the firm hasn't adopted the recommendations.

"This is not directed at Heller, this is directed at all law firms," said Gillette.

Some audience members were a little disappointed that Heller wasn't taking the step to actually adopt the policies, saying that if the firm did, it would be a big draw for them to join the firm.

"We all tend to do the same kind of work," said one third-year litigator at a major firm who chose not to be identified. "Why wouldn't you walk across the street if you knew you had a better shot at success?"

In striking contrast to the implicit bargain of the latest associate salary war (more money and more hours), the group is also calling for less money and less hours to stem attrition in the associate ranks. The group's report cites one survey that found a 57 percent attrition rate for associates before their fifth year and another that found female associates were more likely to leave private practice than male associates.

Solutions could include letting young lawyers have more control over how much they work and how much they get paid -- not unwelcome changes, said associates in attendance.

"As much as we make a stink when one firm or another raises, it's really about relative worth," said the third-year associate. "I would absolutely work less for less money and I can't think of many people who wouldn't."

The group points toward an innovative program at accounting giant Deloitte called Mass Career Customization, which allows its employees to adjust the pace of their career to deal with personal obligations without throwing them off the upward track.

Law firms could do the same, they say, by doing away with the lockstep system on which associates are placed. Instead of basing salary and promotion on years out of law school, the group suggests a four-tiered approach where lawyers would advance based on their skills rather than their seniority, allowing people to advance at a pace that fits their lives.

The group also said the workday can be more flexible with the use of BlackBerry and technology that rolls calls over from office phones to cell phones. But the group wants to protect personal time, too. They pointed to an accounting firm that puts a message on e-mails coming into and leaving the office after 7 p.m. on Fridays: "Are you sure you want to send this message or can it wait till Monday morning?"

While some law firms already have some of the recommended policies in place -- many, for instance, have part-time policies and also allow attorneys to work from home -- Gillette said she doesn't expect firms to move quickly to adopt all or even a few of the recommendations. "What we're really trying to do is to get people to start thinking differently," she said.

Career-Related Articles

Firms Must Adapt to Shrinking Securities Fraud Litigation

Vesna Jaksic/Staff reporter

June 18, 2007

NEW YORK — The class action securities fraud litigation business will continue to shrink and law firms need to respond by shifting resources, said Joseph A.

Grundfest, a former U.S. Securities and Exchange commissioner and nationally recognized expert on securities litigation.

“We’re going to have to find other things to do with our time and I think that’s something to be celebrated,” said Grundfest, the W.A. Franke Professor of Law and Business at Stanford Law School.

Grundfest compared the trend to doctors finding a cure for disease, which is a positive development but leads to fewer patients.

But the news is not all bad for securities lawyers. There is great need for economic experts in the legal field, Grundfest said. Law firms need to shift their resources from defending clients charged with securities fraud to areas such as companies’ internal investigations, which continue to be a strong business, he said.

Grundfest, co-director of the Arthur and Toni Rembe Rock Center on Corporate Governance at Stanford and founder of the Stanford Securities Class Action Clearinghouse, spoke on June 13 during a breakfast event entitled “The Times They Are A-Changin’” at The Yale Club of New York City. The event was sponsored by Cornerstone Research, which provides

attorneys with consulting and expert testimony in complex commercial litigation. Grundfest has worked with Cornerstone for about 10 years.

While the number of securities fraud filings had been averaging about 200 annually, that number will probably be closer to 100 to 120 from now on, Grundfest said. There are several reasons for the trend, including there simply being less fraud, he said.

Company officials are aware that the chances of fraud detection are higher now, as are material penalties for individuals, as opposed to just companies, Grundfest said.

‘Scheme liability’

Grundfest, who spoke for nearly two hours in front of a crowd of more than 150 people, discussed a pending U.S. Supreme Court case that could have major implications in the securities field. Stoneridge Investment Partners LLC v. Scientific-Atlanta Inc., No. 06-0043.

Grundfest is representing the defendants in the case, which poses the question of “scheme liability” and whether third parties, including bankers, lawyers and accountants, can be sued for playing a role in another company’s alleged fraud.

Grundfest said he does not believe scheme liability exists as a concept of primary liability, and that Congress has twice rejected pleas to extend primary liability

to cover “substantial assistance.”

“Scheme liability, in my view, is a bunch of fancy words trying to persuade courts to do what Congress has refused to do on the two occasions it has already been asked to do this,” Grundfest said.

Grundfest also discussed the issue of defining loss in securities fraud cases, which recently came up in U.S. v. Olis, No. H-03-217 (S.D. Texas). Jamie Olis, a former Dynegy Ltd. executive, was sentenced to 24 years in prison on securities fraud and conspiracy charges. Grundfest filed a 46-page brief attacking the prosecutors’ method of loss calculation, helping reduce Olis’ sentence to six years.

Grundfest said the practice of calculating loss in fraud cases is more refined in civil than criminal cases, even though the latter could determine how many years one serves in prison.

“The legal system is not invested very well at all in getting to an economically rational measure of loss, and that’s a problem,” he said.

Grundfest said he took Olis’ case pro bono because he feels it’s a part of his social responsibility as a lawyer to ensure justice is done.

“This is as close to a death penalty case as a securities lawyer is ever going to do,” he said.

Growth of Infrastructure Funds May Lead to M&A Business

Krista F. Hill

Special to Law.com

June 22, 2007

Countries all over the world are experiencing a growing need to replace or expand their infrastructure -- roads, railways, bridges, ports, airports, power assets, transmission lines, pipelines, communications networks and more.

In the 2007 Canadian federal budget, Finance Minister James Flaherty announced an infrastructure funding commitment of C\$33 billion over the next seven years. Similarly, the Ontario government in 2005 announced its five-year infrastructure plan and committed C\$30 billion to invest in highways, hospitals, schools and

public transit. This is in addition to the estimated C\$25 billion to C\$40 billion required to refurbish, replace or conserve 25,000 megawatts of power-generating capacity in Ontario by 2020.

Facing enormous costs, governments around the world are looking to the private sector for help -- and infrastructure funds are answering the call.

The Macquarie Group, headquartered in Australia, was one of the first to recognize this opportunity for private sector investment in infrastructure assets. As early as 1996, Macquarie began forming specialized infrastructure funds to acquire and finance infrastructure assets around

the world. Macquarie currently manages a portfolio of 102 assets in 25 countries, representing approximately C\$35 billion in equity under management.

In 2006, we saw this trend explode with many other private equity firms establishing their own specialized infrastructure funds or groups.

Goldman Sachs raised its first infrastructure fund with more than US\$6.5 billion in committed capital.

The Carlyle Group established a team to conduct investments in the infrastructure sector. Carlyle also formed a US\$685

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Career-Related Articles Cont'd

Growth of Infrastructure Funds May Lead to M&A Business

(Continued from Page 3)

million renewable energy infrastructure fund with Riverstone Holdings.

Morgan Stanley established an infrastructure group and announced in February 2007 that it had agreed to acquire a significant interest in two Montreal container terminals.

GE and Credit Suisse announced that they intended to establish a US\$1 billion joint venture, Global Infrastructure Partners, to invest in infrastructure assets, and JPMorgan also established its own infrastructure group.

There is no end in sight. In the past few weeks alone, Brookfield Asset Management announced that it is forming a dedicated infrastructure fund, Brookfield Infrastructure Partners; and Alinda Capital Partners, an independent, U.S.-based infrastructure fund managed by a group of former Citigroup employees, announced that it is acquiring the assets of UE Waterheater Income Fund. And this is not just a North American trend. In February, Blackstone Group Holdings, Citigroup and two Indian-based finance companies announced that they had agreed to start a US\$5 billion infrastructure fund that will concentrate on roads, ports and other utilities in India.

Infrastructure funds will face stiff competition for these assets from another class of investor -- the pension funds. Infrastructure assets are particularly well-suited for long-term investors such as

pension funds, which have corresponding long-term liabilities. The infrastructure asset class offers long-term, inflation-indexed returns, which typically demonstrate stability over time. Canadian pension plans have for years recognized this potential. Since 1999, Borealis Infrastructure has been identifying and managing infrastructure assets on behalf of OMERS (Ontario Municipal Employees Retirement System). Ontario Teachers' Pension Plan has been investing in infrastructure assets since 2001, and the CPP (Canadian Pension Plan) Investment Board formed an infrastructure group in 2006. Infrastructure funds allow institutional investors such as smaller pension plans, insurance companies, endowments and others that do not wish to invest directly in infrastructure assets to diversify into this important asset class through investing in an infrastructure fund.

As the demand for the replacement or expansion of infrastructure assets continues to grow worldwide, the need for private sector investment in infrastructure will continue to increase. Infrastructure funds provide an ideal vehicle for this form of investment. The growth of infrastructure funds, a trend that accelerated in 2006, will continue in 2007 and beyond.

Following on the success of the current participants in the infrastructure sector, it is likely that additional private equity firms will form specialized infra-

structure funds or groups to capitalize on the available opportunities. As these infrastructure and pension funds seek to deploy their capital, M&A in this sector will continue to increase. In addition, with more funds being raised for the infrastructure sector and competition for infrastructure assets intensifying, infrastructure funds may look beyond the traditional definition of infrastructure to assets that have infrastructure-like characteristics and returns. Infrastructure funds will also need to search further and wider afield for investment opportunities.

Canada, with its stable government and low political risk, is well-positioned to access these private funds in order to replace and expand its infrastructure.

Krista F. Hill is a partner in Torys LLP's corporate department and co-coordinator of its infrastructure and energy group. She has particular expertise in infrastructure and power mergers and acquisitions and project development, both within Canada and internationally.

Contact

Office of Career Services

Stanford Law School Administration Building Room 143

559 Nathan Abbott Way

Stanford, CA 94305-8610

ocs@law.stanford.edu

650 723.3924

Staff

Susan C. Robinson

Associate Dean for Career Services

susanr@law.stanford.edu

650 723.3925

Susan advises students and alumni on a wide range of issues involving career planning and job searches. She also works closely with employers to assist them in utilizing OCS resources to maximize the recruitment of SLS students and alumni.

Elizabeth C. Armand

Director of Judicial Clerkships

earmand@law.stanford.edu

650 723.0363

Elizabeth is responsible for all aspects of the judicial clerkship application process and manages the legal recruiting program for advanced degree students.

Laura Metz Duncan, Esq.

Director of International & Advanced Degree Career Programs

lduncan@law.stanford.edu

650 724.5045

Laura advises students on international career strategy and development. She also oversees the legal recruiting program for foreign trained lawyers in the advanced degree programs and works with firms and organizations to expand international opportunities for Stanford students.

Lee Kite

Private Sector Counselor

lkite@law.stanford.edu

650 725.6786

Lee Kite is a Private Sector Counselor with more than 17 years of experience in legal recruiting and she advises students on private sector careers and options.

Maureen Krantz

Career Services Coordinator and Private Sector Counselor

mkrantz@law.stanford.edu

650 725.6786

Maureen coordinates between law firms, attorneys and legal professionals, alumni and students to create innovative programs for the office. She also counsels students on private sector opportunities.

Melissa Leger

Associate Director of Career Services

melissa@law.stanford.edu

650 723.3924

Melissa Leger runs both the Fall and Spring Campus Interviewing Programs, and is the primary liaison between students and the employers who recruit them.

Renee Ritucci

Resource Specialist

rritucci@law.stanford.edu

650 723.3924

Renee is the primary contact for the office and works closely with employers who wish to recruit Stanford Law School students and alumni.