

OCS Weekly Bulletin

February 19, 2008

Upcoming OCS Programs, 1L Diversity Scholarships & Career-Related Articles

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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 OCS Programs

OCS Professional Development Series: Public Offering Process

Wednesday, February 20th, at 12:45pm in Room 172

Career Services is pleased to announce the #rd in our Professional Development Series: Overview of the Public Offering Process. Join attorneys from Wilson Sonsini for this interactive session on the steps involved in taking companies public, and what an associate's role is. This class is open to 2Ls & 3Ls, and will be held on Feb. 20 in Room 172 at 12:45. Lunch will be served.

You may sign up to attend this program through Symplicity under the "Events" heading (<https://law-stanford-csm.symplicity.com/students>).

Upcoming Professional Development Series:

Deposition Preparation & Training

Wednesday, March 5th, 5:30-7:30pm in Room 90

Co-sponsored by Heller Ehrman LLP

2008 Clerkship Application Season Workshops-- *New Time* (now at 12:45pm)

• **1L Clerkship Orientation-** Wednesday, February 20 at 12:45pm in Room 280A

• **Clerkship Orientation Meeting: Nuts and Bolts of the Application Process-** Wednesday, March 5 at 12:45 pm in Room 180

Please attend the orientation if you are interested in applying this summer for a clerkship beginning Fall 2009 and later.

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Upcoming OCS Programs (cont.)

- **Student Applicants' Perspectives on the Clerkship Application Process-** Wednesday, April 9 at 12:45pm, Room TBA

Come to this session to hear from students who applied last year so that you can get the inside scoop on the clerkship application process.

1L Diversity Scholarship Opportunities

- **Milbank Diversity Scholars 2008 Program**
- **Finnegan Henderson Diversity Scholarship**

Milbank Diversity Scholars 2008 Program

We are pleased to announce that Milbank is again accepting applications for our Diversity Scholars Program. We would greatly appreciate your assistance in helping us spread the word to first year students. Applications must be postmarked by September 1, 2008.

The program, as you may know, awards at least two students annually with a salaried summer associate position and a \$50,000 scholarship. (\$15,000 will be distributed during the students' third year of law school, and a payment of the additional \$35,000 will be awarded contingent upon receipt and acceptance of an offer of permanent employment.)

We continue to be excited about this program and hope you are as well. Attached are copies of the Scholars Program fact sheet and application. For more information about Milbank's diversity initiatives, please visit us on our web site at: <http://www.milbank.com/en/Diversity/>.

Finnegan Henderson Diversity Scholarship

The scholarship will provide financial support to qualified minority law students who have demonstrated a commitment to pursuing a career in IP law.

The scholarship award of \$15,000 may be applied to costs associated with normal tuition; usual fees (such as, but not limited to, student activity fees; law school or university fees, and administrative fees); and a patent bar review course.

The scholarship recipient will also accept an offer to join the firm as a summer associate in one of our domestic offices (Atlanta, Cambridge, Palo Alto, Reston or Washington).

Students completing their first year full-time (or second year part-time) are invited to apply. The award will be applied to education costs the following year, and may be renewed for one additional year if the scholar accepts an associate offer upon successful completion of the Finnegan summer associate program and maintains a grade point average of 3.0 or better in law school.

Attached is the scholarship application. Additional information about the scholarship and application form are posted on our website at <http://www.finnegan.com>. The deadline for applications is February 29, 2008.

Career-Related Articles

• **Silicon Valley Embraces In-House Track**..... Pages 3-4

An informal survey shows that most, if not all, of the 18 venture-backed San Francisco Bay Area companies that went public last year have GCs with an in-house track record. This represents a shift from hiring from an outside counsel firm, a practice that corporate attorneys say was favored during the dot-com boom. It's a change that makes sense to Julian Ong, who worked at Salesforce.com for four years before joining SuccessFactors in 2006.

• **New-Partner Growth Takes a Hit**.....Pages 4-5

The good news for associates is that more of them made partner in 2008 compared with last year. The downside is that their firms also got bigger, making new partner growth a relative letdown. "You can make the case, of course, that these numbers signal a slowdown and conservatism among the firms," says consultant Richard Gary. That conservative approach may stem from troubles experienced at a handful of other law firms, which recently have laid off attorneys due to fallout from the subprime mortgage mess.

Silicon Valley Embraces In-House Track

Zusha Elinson
The Recorder
February 14, 2008

Youthful excitement is still spilling out at San Mateo, Calif.'s SuccessFactors Inc. Balloons and banners clutter the blue walls and bright green pillars of the wide-open workspace at the newly public high-tech company.

It feels like the Silicon Valley of old, except there's something different going on in the legal department. The general counsel isn't some associate the employee performance software company grabbed from the nearest law firm -- Julian Ong has years of in-house experience under his belt.

"For a fast-growing company in a competitive market that's really focused on sales, it makes sense for them to look for someone with in-house experience," said Ong, 41, who worked at Salesforce.com for four years before joining SuccessFactors in 2006.

An informal survey shows that most, if not all, of the 18 venture-backed San Francisco Bay Area companies that went public last year have GCs with an in-house track record. This represents a shift from hiring from an outside counsel firm, a practice local corporate attorneys say was favored during the dot-com boom. It's a change that makes sense to Ong, who worked at Skadden, Arps, Slate, Meagher & Flom before going in-house.

"Coming from a firm and going in-house, you need to make a fairly big mental shift from a revenue generator to a business counselor and a business enabler," he explained.

Whether law firm attorneys are up to that mental shift may be beside the point. Runaway salary scales and the increasing complexity of the in-house role in an age of heightened regulatory scrutiny can make it much more attractive to draw from the healthy pool of in-house veterans.

While Silicon Valley is thriving again, the 75 venture-backed U.S. IPOs of 2007 -- more than in any of the previous five years -- were still far fewer than the 200 that took place in 2000, according to Dow Jones' VentureSource. That means the dot-com era's shortage of in-house talent hasn't returned, legal recruiters say.

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Career-Related Articles

Silicon Valley Embraces In-House Track

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“Also, it’s a product of Sarbanes-Oxley and people just realizing that, gosh, GCs are on the line these days,” said Anna Marie Armstrong, a legal recruiter with MLegal in San Francisco. “You really need to have somebody for whom that’s their primary skill set.”

In the most striking example of GCs being on the line, several in-house lawyers were implicated in the stock options backdating scandal over the last two years. Some were charged by the Securities and Exchange Commission or the Department of Justice; others were blamed by their companies and demoted or let go. In that environment of intensified regulatory scrutiny, lawyers familiar with the in-house issues become much more attractive.

Veteran in-house recruiter Robert Major Jr. of Major, Lindsey & Africa said that CEOs tell him there’s a view that more experienced in-house lawyers wouldn’t have let the backdating crisis happen.

“There’s a perception that if the GCs had been very seasoned, more conservative, less prone to just following the practices of the day, there would be more likelihood the lawyers would have said, ‘No, we’re not going to assign a fictitious

date to those option grants,’” Major said. “You could quibble all day long [whether] that was the case, but the perception is that more senior people would’ve dug in their heels.”

It’s not just that companies are becoming more discriminating in their searches for GCs. In-house legal departments also have a hard time matching the pay packages that lawyers get at big law firms. Robert Specker, top lawyer at Santa Clara’s newly public Data Domain Inc., said he wouldn’t mind recruiting from firms, but it’s not a real possibility.

“The salary structure at the law firms is completely out of whack, and it’s distorted the market,” Specker said. “It makes it hard to compete in that area.”

With last year’s raise, first-year associates at top law firms make \$160,000, while seventh-years make \$265,000 -- before bonuses that can raise those numbers up by \$10,000 to \$90,000. In contrast, GC salaries start around \$225,000, said MLegal’s Armstrong, though stock options can sweeten the deal.

On top of in-house experience, new companies look to lawyers with experience in the same field. Ong’s work at

Salesforce.com, another “software as a service” business, made him a good candidate for SuccessFactors. Both companies host software over the Internet for their customers, instead of selling them hardware with the software inside.

In-house work in general, Ong said, helps a lawyer guide a company making the IPO transition. Already knowing the corporate culture can be invaluable.

“One specific challenge is supporting a company-wide shift to more process and tighter controls on information dissemination without harming the good aspects of a startup company culture,” Ong wrote in an e-mail. “This can require some amount of tact and gentle persuasion.”

Being a general counsel also means being in the glare of the government spotlight, especially if things go wrong.

Specker, who worked in-house at Synopsys and before that at Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, said it just comes with the territory now.

“Do I worry about the increased level of personal risk? Yes,” Specker said. “But I think that’s a feature of the landscape that’s here to stay.”

New-Partner Growth Takes a Hit

Leigh Jones

The National Law Journal

February 12, 2008

The good news for associates is that more of them made partner in 2008 compared with last year. The downside is that their firms also got bigger, making new partner growth a relative letdown.

A snapshot of 25 of the nation’s largest law firms shows that they appointed 5.2 percent more of their attorneys to partner than they did in 2007. At the same time, however, those same firms grew by 6.6 percent, indicating that the boost in partnership promotions didn’t keep pace with expansion overall.

The result is that relatively fewer associates and counsel moved up the law firm ladder.

Of the 25 firms, 12 of them increased their partner classes for 2008, and eight

appointed fewer attorneys to partner. Four firms promoted the same number to partner this year as they did in 2007.

The 25 law firms tracked have their largest offices in a variety of U.S. cities and are among the largest 37 firms on the NLJ 250, The National Law Journal’s annual ranking of the nation’s biggest law firms by the number of attorneys.

The five law firms with the biggest percentage increases in partner class sizes were King & Spalding; Wilmer Cutler Pickering Hale and Dorr; Reed Smith; Kirkpatrick & Lockhart Preston Gates Ellis; and O’Melveny & Myers.

The five firms with the largest percentage decline in partner class size were Holland & Knight; Baker & McKenzie’s

North American office; Dechert; Orrick, Herrington & Sutcliffe; and Hogan & Hartson.

Law firm consultant Richard Gary cautioned against making broad conclusions from the numbers, but he added that the figures could indicate a pullback among large firms in 2008.

“You can make the case, of course, that these numbers signal a slowdown and conservatism among the firms,” said Gary, principal of Gary Advisors in Tiburon, Calif.

That conservative approach may stem from troubles experienced at a handful of other law firms, which recently have laid off attorneys due to fallout from the subprime mortgage mess.

Career-Related Articles

New-Partner Growth Takes a Hit

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Partner class size for 2008 was based on information that the law firms made public from Oct. 1, 2007 to Feb. 1, 2008. Law firm size was based on census information collected from the NLJ 250 survey, which reported those numbers as of Sept. 30, 2007.

For 2008, the 25 law firms appointed a total of 662 attorneys to partner, which included both equity and nonequity partners. In 2007, those same firms appointed 629 attorneys to partner. It is important to note that percentage increases and decreases in partner classes can seem large because of the typically small number of appointments each year.

The total number of attorneys working at the 25 firms was 36,280, compared with 34,049 the year before.

This year's 5.2 percent partner class growth was slightly higher than last year's, when the partner class increased by 5.1 percent, based on numbers from 20 of the nation's largest firms. The 25 firms in this year's group included all 20 law firms tracked in 2007.

Several law firms had notable differences between the size of the partner classes this year and the overall growth of their firms. For example, Orrick, Herrington & Sutcliffe appointed 15 to partner for 2008, compared with 20 in 2007. Meanwhile, the firm grew by 4.4 percent, from 924 attorneys to 965.

White & Case appointed 31 attorneys to partner effective this year, compared with 37 last year. The firm expanded by 9.1 percent, from 1,907 attorneys to 2,080. Dechert's partner class dropped to nine from 13, while its firm grew slightly, from

994 to 1,001 attorneys.

Despite the roller-coaster results at some law firms, the percentage of appointments to partner tends to remain fairly constant, said William Henderson, a professor at Indiana University School of Law -- Bloomington. His scholarship focuses on empirical analysis of the legal profession and legal education.

What has changed over the years, he said, are the differences between appointments to equity partner versus nonequity partner. Firms are not only reducing the number of equity partner appointments and, conversely, boosting nonequity promotions, but also becoming more tightlipped to the public and to their own attorneys about the distinctions.

"Generally, if they're not disclosing, they have a lot of nonequity partners," Henderson said.

Almost all of the law firms in this year's group of 25 did not distinguish whether their promotions were to equity or nonequity partner, even though most of them have both kinds of partners. Fourteen of them have two-tiered partnerships, six have single-tier systems and four do not disclose whether they have tiers.

The biggest decline in the 2008 partner class size was at Holland & Knight, which appointed 18 partners this year, compared with 35 in 2007. The firm grew by 3.5 percent, from 1,102 to 1,141 attorneys.

The drop in the number of partner appointments was not a result of a concerted effort to reduce the class size, said Holland & Knight recruiting partner Adolfo Jimenez.

Last year, the firm changed the number of years of experience required to make partner from seven to eight, Jimenez said, which likely had an effect. He added that partner class sizes can "fluctuate a lot" from year to year. Indeed, last year's class of 35 was 25 percent bigger than previous year.

Two firms had declines in both the number of partners appointed and their overall census. Baker & McKenzie's North American office appointed 12 partners for 2008, compared with 19 last year. The firm dropped from 3,535 attorneys to 3,335, a decline that bumped it out of the No. 1 spot on the NLJ 250 for the first time ever. DLA Piper took that position in the latest ranking.

Fulbright & Jaworski also decreased in both partner class size and firm size. It appointed 11 attorneys to partners effective this year, compared with 13 in 2007, and fell to 955 from 972 attorneys firmwide.

King & Spalding, the law firm with the biggest partner expansion at 66.7 percent, appointed 20 attorneys to partner compared with 12 last year. The growth stemmed from a large group of lawyers who were both "high performing and collegial," said firm Chairman Robert Hays, in an e-mail message. Most of the promotions were in the litigation practice areas of business, tort and environmental law.

Despite the increase, King & Spalding's census declined a bit, to 814 from 825 attorneys.