

OCS Weekly Bulletin

March 25, 2008

Upcoming OCS Programs, Announcements, Firm Events & 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

Dean's Roundtable Lunch with Bob Cochran, SLS '74- Monday, March 31 at 12:45pm

Dean Kramer will be hosting a lunch with alumnus Bob Cochran, SLS '74 on Monday, March 31st. These roundtable lunches are designed to highlight our alumni's remarkable careers, and allow them to share their professional experiences with our students. Mr. Cochran is currently an executive producer of the TV show "24" and has written for and produced a number of other shows.

Space for lunch is limited. If you are interested in attending this lunch, please e-mail Lee Kite at lkite@law.stanford.edu. Attendance will be determined by lottery and you will find out closer to the event if you are on the list of attendees.

OCS Announcements

2008 Stanford Law School International Summer Grant

In past years, some Stanford Law students who completed internationally focused summer work found that their income and/or funding fell short of their costs for airfare, summer housing, and other related expenses. This year, to help defray costs associated with internationally-focused internships and career building opportunities, a limited number of \$500 to \$1000 grants will be offered to qualifying students. Students may qualify for the grant even if their internationally related work is based domestically.

Funding decisions will be based on a student's demonstration of financial need and how their proposed work will advance their career goals. To qualify, students should be eligible for at least \$8,500 in need-based student loans for the 2008-2009 school year. Students who receive combined summer income/funding of \$10,000 or more will not be eligible. Please note that, unlike the Summer Public Interest Funding Program, funding is not guaranteed to all qualifying applicants (only 6-10 grants will be awarded in 2008).


To apply, students should submit the Application Form (available on the OCS website), a Resume, and a Statement, no longer than one typed page in length, describing:

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- a. Estimated summer expenses for their internationally focused internship or other career enhancing opportunity (please research to inform these numbers);
- b. A simplified statement of 2007-2008 income, funding, or other support;
- c. Why the aforementioned income/funding is insufficient to cover summer expenses; and,
- d. How the internationally focused experience will enhance your career goals/exploration.

All materials are due to Carol Ida in Room 141 (in OCS) by 5 p.m. on WEDNESDAY, April 16, 2008.

Upcoming Firm Events




KIRKLAND & ELLIS LLP

Join us for our 1L Spring Reception

Tuesday, April 1, 2008
5:30 p.m. - 7:00 p.m.
Crocker Garden
Stanford Law School

Please contact Jennifer McCosker to RSVP
jmccosker@kirkland.com



Career-Related Articles

• **Law Firms Across U.S. Are Boosting Paid Leave**.....Page 2

Several of the nation's largest law firms are boosting their paid leave for lawyers who become new parents. Administrators and lawyers at those firms deny that the benefits are meant to replace salary increases. But they admit the programs are designed to attract and retain associates, especially women, who are steadily leaving the legal profession. Among the first to jump to 18 weeks was Sullivan & Cromwell. "Firms follow because they're trying to be competitive," says partner Audra Cohen.

• **Does a Recession Mean Layoffs -- or a Time to Snag Laterals?**..... Pages 3-4

A funny thing happened on the way to the recession: Anxiety isn't evenly apportioned within the legal profession. The American Lawyer interviewed partners, associates, consultants and recruiters in threatened practices. No one denied there are storm clouds on the horizon, but an interesting pattern emerged in how much of a soaking they expect. "The need for our services doesn't go away simply because the economy is less robust," says Orrick CEO Ralph Baxter Jr. But among associates, anxiety is high.

• **Corporate Raiders Invade Silicon Valley**.....Page 4

With all the hostile takeovers and proxy fights, Silicon Valley looks more like Wall Street -- and some say the new attitude is here to stay. The question is: Can the tech companies and their lawyers handle the more combative culture? Even clients that have long relied on Valley firms have been giving high-stakes takeover work to New Yorkers. Observers say it's no surprise that local companies turn to Wall Street firms with more hostile deal experience.

Career-Related Articles

Law Firms Across U.S. Are Boosting Paid Leave

The National Law Journal
Amanda Bronstad / Staff reporter
March 17, 2008

Several of the nation's largest law firms are boosting their paid leave for lawyers who become new parents. In the past few months, about a dozen law firms have increased their paid maternity leave to 18 weeks from, in most cases, about 12 weeks.

Also, many firms have increased their paid paternity leave periods, particularly if fathers become the main caregivers. Firms also are bumping up the amount of time off given to adoptive parents.

The moves are the first significant changes to parental policies at law firms in several years. Administrators and lawyers at those firms deny that the benefits are meant to replace salary increases. But they admit the programs are designed to attract and retain associates, especially women, who are steadily leaving the legal profession.

"When you have increases in compensation, there seems to be a domino effect. This is a benefit enjoying a similar domino effect," said Dan Hatch, a partner at legal search firm Major Lindsey & Africa. "That tells me this particular benefit has struck a nerve."

A competitive edge

Firms that have increased their paid maternity leave to 18 weeks include Arnold & Porter; Covington & Burling; Debevoise & Plimpton; Hogan & Hartson; Latham & Watkins; Mayer Brown; Paul, Weiss, Rifkind, Wharton & Garrison; Skadden, Arps, Slate, Meagher & Flom; Sullivan & Cromwell; and Weil, Gotshal & Manges.

Among the first to jump to 18 weeks was New York-based Sullivan & Cromwell, which changed its policy in July. Most have followed that lead in recent months.

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Career-Related Articles (cont.)

Law Firms Across U.S. Are Boosting Paid Leave

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“Firms follow because they’re trying to be competitive,” said Audra Cohen, partner and co-chairwoman of the women’s initiative committee at Sullivan. “It was something we thought was important and wanted to do, so we could be a market leader.”

Janet McDavid, partner and member of the executive committee at Washington’s Hogan & Hartson, which raised its maternity leave to 18 weeks in January, acknowledged that recruiting and retention issues are elements in boosting parental leave periods.

“But I don’t think we were following anyone,” she said. “We knew that some other firms were enhancing their maternity leave policies and that caused us to revisit this.”

In January, New York’s Debevoise & Plimpton raised its maternity leave to 18 weeks from 12, the standard period

for about two decades, said My Chi To, a partner who serves on the firm’s part-time committee. The firm also gave adoptive parents 10 weeks, adding six weeks to its prior policy.

Changes for adoptive parents were significant at most firms.

On March 1, Skadden instituted new benefits that allow adoptive parents who are primary caregivers to take up to 12 weeks off, an increase from four weeks, said Jodie Garfinkel, director of professional personnel and attorney development at the New York-based firm. She said the change recognizes new types of families.

“It could be an adopted couple where the father is the primary caregiver, it could be a same-sex couple, it could be all kinds of things,” she said.

In December, Latham & Watkins raised to 18 weeks both its paid maternity leave and paid leave for adoptive parents

who are primary caregivers, said Rick Bress, global chairman of the associates committee at the firm.

“We felt strongly that the challenges you face when you’ve got a new child in the home don’t depend a whole lot on how the child got there,” Bress said. “Whether the child was born to one of the parents in the home or adopted, you still face an awful lot of the same issues.”

Fathers get a break

Several firms also significantly increased paid leave for spouses who don’t give birth to a child but become primary caregivers — in most cases, fathers. At several firms, that leave jumped from four to 10 weeks.

Does a Recession Mean Layoffs -- or a Time to Snag Laterals?

Ben Hallman

The American Lawyer

Ryan Rettmann left Thacher Proffitt & Wood in the nick of time. Last March, not long before the subprime crash paralyzed the debt markets, the first-year structured finance associate moved to Chicago’s Kirkland & Ellis. At Thacher Proffitt, he had been working on securities backed by home mortgages, a niche that was dead in the water by the end of summer. At Kirkland, he took a job working on auto loan securitizations, a considerably healthier asset class.

Rettman wasn’t prescient, just in love. He and his new wife had decided to leave New York and settle in Chicago, where he lined up the Kirkland interview after one phone call.

“I got lucky,” he says. “At the time, structured finance was so hot that it was easy to get a job.”

How quickly times have changed. With financial institutions battered by bad bets on subprime mortgages and the stock

market staggering like a drunken sailor, law firms are bracing for disaster. In January a report from consulting firm Hildebrandt International Inc. and Citigroup Private Bank said that some firms had already experienced a “significant” drop in productivity in the third quarter of 2007. This year, the study concluded ominously, was shaping up to be the worst since 2001.

But a funny thing happened on the way to the recession: It seems that anxiety, like income, is not evenly apportioned within the legal profession. Since January, The American Lawyer has interviewed dozens of partners, associates, consultants and legal recruiters in threatened practice areas -- structured finance, real estate, M&A and private equity. No one we talked to denied that there are storm clouds on the horizon, but we found an interesting pattern in how much of a soaking they expect.

Among associates, anxiety is high, even though laid-off young lawyers are, so

far, finding new jobs. Nevertheless, many associates echoed the sentiments of Kirkland’s Rettmann, who says he scans The Wall Street Journal every day for news about market turmoil.

“I’m nervous,” says one corporate associate at a New York firm that’s already anticipating a downturn. This associate says he is reviewing contracts in anticipation of mortgage-backed securities-related litigation but doesn’t know how long that work will last. “And my firm doesn’t tell us anything,” he says.

Partners, meanwhile, are blasé -- even focused on the lateral opportunities of a roiled market. And law firm managers? Dan DiPietro at Citigroup Private Bank says he’s hearing “tremendous angst about 2008,” with almost daily questions about “how difficult the year will be.”

But most of the nine Am Law 100 firm leaders interviewed for this story insist that their firms are superbly positioned; they’re worried about how the other guys

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Career-Related Articles (cont.)

Does a Recession Mean Layoffs -- or a Time to Snag Laterals?

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will handle whatever the market throws at them. It's a strange phenomenon: The level of fear that lawyers expressed was in inverse proportion to their level of seniority.

Brian Brooks falls squarely in the "not worried" category. Brooks is the head of O'Melveny & Myers' Washington, D.C., office and a member of the firm's executive committee. In recent weeks, rumors that O'Melveny was culling associates through unusually harsh performance reviews bloomed on the Internet. Brooks says the stories are simply not true.

"Unfortunately, the routine annual bonus process coincided with rumors that the economy is about to crater," he says. The number of associates who received low performance evaluations, he adds, was about 5 percent of the total -- the same as in 2007. Firmwide, Brooks says, O'Melveny is in good shape. The firm doesn't do quite as well in up cycles as its peer group, he notes, but has strong restructuring and litigation practices that thrive when the economy weakens. "Times like this give us an opportunity to shine," he says.

Ralph Baxter Jr. is also confident -- at least for his own firm, Orrick, Herrington & Sutcliffe. "We're not lawyers to the entire economy," says Baxter. "We're lawyers to our clients. The need for our services doesn't go away simply because the economy is less robust." (Ten percent of Orrick's revenue is from structured finance work, but Baxter says that includes all sorts of securitizations.) "The most important thing to say about 2008," says Baxter, "is that we don't know what's going to happen."

Even the severe downturn in deal work isn't daunting to some prominent practice leaders. "The private equity guys are very creative," says Alan Klein, a Simpson Thacher & Bartlett partner. "They have a lot of equity that they have to spend." Some of those dollars will

likely go for "pipes" transactions, in which investors buy a piece of a company instead of the whole thing, he says. He also predicts more deals in Asia, the Middle East and Eastern Europe and a continued healthy clip for smaller buyouts. In the meantime, Simpson Thacher will be busy doing ancillary work related to the \$156 billion worth of deals the firm helped broker last year. Still, Klein says, there's no question that people are worried. Dozens of signed deals have come apart in the last year, a collapse that Klein, a 30-year veteran, describes as "unfathomable."

But in a now-familiar refrain, private equity partners are saying that everything depends on positioning. At Kirkland, for instance, Frederick Tanne is blunt about the year to come. "In terms of the market, it's going to be a more difficult year for private equity," he says. "Anyone who says different is smoking something." Nevertheless, Tanne says that Kirkland, whose strength is in the smaller buyouts that are likely to account for most of the dealmaking in the next year, will be fine. The firm handled 85 private equity transactions in 2007 at an average of \$1.2 billion each. (By way of comparison, Simpson Thacher handled 29 buyouts at an average of \$5.4 billion each.)

Experienced partners like Klein and Tanne can take the long view. Associates are quicker to panic, especially when they believe they're being kept in the dark by their firms. But early indications suggest that those who have already been hit hardest by the downturn -- the 100 or so structured finance associates who were fired or bought out in recent months -- are finding other jobs. Thacher Proffitt and McKee Nelson, where 52 associates accepted buyout offers, say that all but one got new jobs, most right away. Cadwalader, Wickersham & Taft, which laid off 35 associates in January, says it expects most to find new positions at other firms, though it is too early to say for sure. Dozens more

young lawyers, such as Timothy Hauck, a former first-year Thacher Proffitt associate, left their firms last fall and winter, before the buyouts were offered. Hauck landed on his feet and is now a corporate associate at Arnold & Porter. (He declined to comment.)

The lesson here: If there is pain in a downturn, there is also opportunity. Good performers, regardless of practice area, should be able to find other work, consultants say. "It's an opportunity for firms to pick up good people if they are willing to take the risk that they won't be busy for a while," says Bradford Hildebrandt. That goes for partners, too. Peter Zeughauser of the Zeughauser Group (a contributing editor to *The American Lawyer*) says that firms whose profits per partner were in the bottom third of the Am Law 200 are likely to lose talented young lawyers -- and have only themselves to blame. As the economy slows, dissatisfied partners are expected to change jobs in record numbers. This has legal recruiters licking their chops. "It could be the busiest year ever," says one.

A busy lateral marketplace is one of the few sure bets in the coming months. For everyone else, the watchword is uncertainty. Predicting future business cycles is a puzzle that economists, much less lawyers, are unable to solve. Just ask McKee Nelson, which last fall offered buyouts to 23 underworked associates. "I've been beating myself up over this for months now," says Reed Auerbach, head of the firm's New York office. "But then I realize there are smarter people that didn't see this coming."

Additional reporting by Nate Raymond

Career-Related Articles (cont.)

Corporate Raiders Invade Silicon Valley

Zusha Elinson

The Recorder

March 14, 2008

With all the hostile takeovers and proxy fights, Silicon Valley looks more like Wall Street -- and some say the new attitude is here to stay. The question is: Can the tech companies and their lawyers handle the more combative culture?

Recent headlines illustrate the shift: Oracle's \$8.5 billion conquest of BEA Systems, Microsoft's \$40 billion pursuit of Yahoo and, most recently, Electronic Arts \$2 billion bid for Take-Two Interactive. Other tech companies -- CNET, Sybase, Transmeta -- are also doing battle with hedge funds or other investors seeking at least partial control.

"It is truly incredible, after Microsoft-Yahoo, how many calls I get a day about companies that want to go hostile and companies that are worried about it," said Keith Flaum, an M&A lawyer at Cooley Godward Kronish.

Though Valley law firms have been called into the smaller skirmishes, the three big takeover bids have been dominated by New York. Observers say it's no surprise that local companies turn to Wall Street firms with more hostile deal experience.

"The Valley firms have yet to develop credible takeover practices," said Steven Davidoff, the Wayne State University Law School professor who writes for The New York Times' DealBook. "These are deals that are done by firms out of New York that do them every day."

Corporate lawyers are predicting that the hostilities will continue. Proxy season and sinking stock prices are fuel for the fire. But the main reason: Aggressors are no longer worried that they'll scare away engineers -- and ruin the company -- with an unsolicited bid.

"There's always been a theory where your main asset is people that hostiles don't work," Davidoff said. "For better or worse, the companies have gotten larger, and the people don't matter as much."

David Berger, a Wilson Sonsini Goodrich & Rosati veteran, agreed. "Yahoo was thought to be to the quintessential company where its assets leave at night," he said. "You wouldn't think of them as an

ideal target."

Historically, tech companies have been more vulnerable to takeovers because they were less likely to adopt basic legal defenses like poison pills and staggered board terms. That's changed some as the Valley matured, but venture capitalists remain wary of measures that might repel a hostile bid, since a takeover can mean a fast, healthy return on their investments, lawyers say.

FactSet SharkWatch, which compiles statistics on shareholder activism and takeover defenses, reports that tech companies have slightly weaker defenses than the rest of the S&P 1500. It gives companies what it calls "bullet proof ratings" and tech companies rated 4.2, compared with the average of 4.5.

But all the planning in the world can't prevent an attack, and Berger said that most everyone is vulnerable now.

"Absent some limitation on size, what you've seen is that there is no really limitation on what can be a target," Berger said.

NEW YORK TAKEOVER

Even clients that have long relied on Valley firms have been giving high-stakes takeover work to New Yorkers.

"They're more hostile in New York," quipped Allison Leopold Tilley, an M&A partner at Pillsbury Winthrop Shaw & Pittman in Palo Alto.

Redwood City's Electronic Arts usually uses Mountain View's Fenwick & West and Palo Alto's Wilson Sonsini for its big friendly M&A deals. But when the video game maker recently launched a bid for Take-Two Interactive, the company turned to Richard Capelouto, a Palo Alto partner at high-end New York firm Simpson Thatcher & Bartlett.

BEA Systems, which also used local firms for more routine corporate work, hired the premier New York deal shop Wachtell, Lipton, Rosen & Katz to fight Oracle's onslaught. Yahoo is using local lawyers from New York's Skadden, Arps, Slate, Meagher & Flom, which came to

prominence doing hostile corporate work and was already Yahoo's go-to deal firm.

Picking a New York firm in a hostile bid is also a way for a GC to fend off Monday morning quarterbacking.

"As they used to tell us in New York, no GC has ever been fired for picking Cravath or Wachtell or Davis Polk," said Martin Collins, general counsel at San Jose's Novellus.

While Wilson Sonsini and Cooley Godward have had pieces of past takeover battles, lately the California flavor in the big battles has come from Los Angeles. L.A.-based Latham & Watkins counseled Oracle as it pursued BEA, and the Yahoo board of directors is employing the services of L.A.'s Munger, Tolles & Olson.

The head of Fenwick & West's corporate department, Daniel Winnike, said local firms have always adapted to client needs.

"The highest level of skills in the tech M&A arena hasn't involved much in the way of hostile procedures," Winnike said. "I think the Valley firms are going to develop that skill as our clients demand it."

Where local firms have made inroads in hostile territory is with smaller companies facing hostile bids or potential proxy fights.

Fenwick is representing Transmeta -- a small Santa Clara chip-licensing company with a \$160 million cap -- as it faces a lawsuit over executive compensation and an unsolicited bid from a hedge fund investor, Riley Investment Management.

Wilson's Berger said his firm has represented around half a dozen companies facing proxy fights or other unsolicited proposals in under two years. "In the last 18 months it's really exploded," Berger said.

Most recently, Wilson represented Dublin software company Sybase as it fended off an offensive from hedge fund investor Sandell Asset Management. Sandell had threatened to nominate three directors of its choice and also called for the company to spin off part of its business, repurchase some stock, or sell itself. The company agreed to repurchase stock

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Career-Related Articles (cont.)

Corporate Raiders Invade Silicon Valley

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late last month, avoiding a proxy fight with Sandell.

EARLY DEFENSES COME LATE

The youngest Valley companies seemed to have to draw a lesson from the past. FactSet SharkWatch reports that tech companies that went public last year had higher than average defenses.

But being prepared goes beyond legal defenses. There are famous examples, painful to every cautious corporate lawyer,

of headstrong execs that painted themselves into a corner with an off-the-cuff response to a hostile bid. When faced with a takeover bid from Oracle in 2003, PeopleSoft CEO Craig Conway responded that he “could imagine no price ... to recommend accepting the offer.”

That kind of thing can get every well-intentioned takeover defense overturned in a Delaware court -- the holy land of corporate takeover law -- because management will be judged not to be pursuing the best interests of the shareholders.

To combat that sort of problem, lawyers insist that companies have a response ready and a team of bankers and lawyers on speed dial in the event of a hostile bid. The question is: which lawyers will be the ones that get entered into speed-dial?

Past Articles

To access the Bulletin Archive, click on the following link:

<http://www.law.stanford.edu/experience/careers/ocs/students/bulletin>

Tuesday, February 26

“Dewey Breaks \$1 Billion in First Post-Merger Results”

“Kirkland & Ellis Expands Into Silicon Valley”

Tuesday, March 4

“Associate Salary Spikes Pinch Partner Profits”

“Big-Firm Associates: Why They Go and How to Keep Them”

“McDermott Will & Emery to Open Houston Outpost”

Tuesday, March 11

“Study: Work Schedule Flexibility Key to Retaining Women Lawyers”

“Law Firms Opening Up to the Idea of Attorney Re-Entry”

“New Report of Fall 2007 Law Student Recruiting Now Available”