Leading
LAWYERS

Legal Times Identifies Ten of the D.C. Area's Go-To Securities Attorneys

Identifying 10 Leading Securities Attorneys

Who knew that securities law could be so sexy? Well, it wasn't always. Until Enron melted down, yadda, yadda, yadda, and Sarbanes-Oxley was passed. Now, securities practice is the stuff of headlines, and better corporate governance has replaced greater corporate synergy as the goal of American business.

Still, preparation of regulatory reports to be filed with the Securities and Exchange Commission sounds like boilerplate legal work. After all, a lot of SEC requirements involve the green-eyeshade crew. But handling a company's relations with the commission shouldn't be seen as routine.

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The fact is, it wasn't routine even when it wasn't sexy. Companies grow and expand—or not—depending on what the SEC deems kosher. It's always been about the little details *and* the big picture. Now it's also personal—the chances being greater than ever that the CEO who strays will end up being photographed with overcoat draped over shackled hands.

And, of course, securities lawyers do a lot more than file regular reports with the SEC. The really good ones—like the 10 featured in this latest Leading Lawyers article by *Legal Times*—are called in when there's trouble.

The really good ones know their clients' business and (to quote a lot of clients) "understand the real world." That's a truism for business lawyers of all kinds, but a particularly relevant characteristic for counsel who must explain what is hopefully not the unexplainable about the company's books.

The really good ones make problems go away quietly, with few if any public revelations. Despite the increased transparency of this new era, and the parade of headlines about companies restating earnings and denying accusations about cooked books, securities lawyers work mostly in the shadows—in private meetings with SEC staff.

The article that follows ("When the SEC Calls . . . ," Page 30) is our effort to identify some of the top go-to lawyers in this field in the D.C. area. Reporter Lily Henning cast a very wide net. She started with leads provided by readers and sources, and her pursuit was informed by the base of knowledge here in the newsroom at *Legal Times*. Some leads were helpful, some were not.

Henning conducted dozens of interviews—with corporate clients and securities lawyers alike. The process was part peer review, part field test. In the end, our choices were made based on what we found in our reporting.

With the 10 lawyers we chose, we sought to represent a mix of corporate securities work: enforcement actions at the SEC and the state level as well as more generalized corporate governance work, internal reports as well as lawsuits. But we excluded lawyers with practices that our reporting told us were more litigation than securities. It's a fine line in many cases.

This week's report, which is sponsored by Ten Eyck, is the fourth in a series of similar articles that *Legal Times* has published in 2003. The past Leading Lawyers articles covered real estate (March 31), litigation (June 16), and intellectual property (Oct. 13). To read these reports and to find out more about our plans for the 2004 series, please go to legaltimes.biz and click on Leading Lawyers.

—Richard Barbieri, *Editor in Chief*

—Elizabeth Engdahl, *National Opinion Editor*

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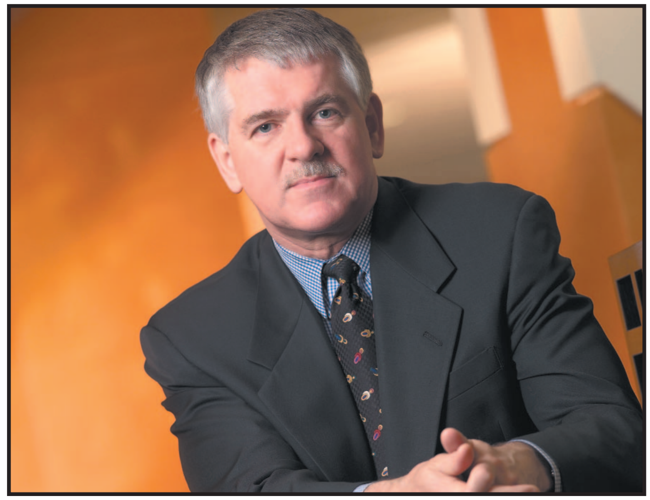
William McLucas

Wilmer, Cutler & Pickering



Piles of paper and heavy, brown file folders cover every available inch of desk space in William McLucas' office. The clutter is little surprise, given the Wilmer, Cutler & Pickering partner's workload ever since he left the Securities and Exchange Commission five years ago.

In the last year and a half, the former head of SEC enforcement has completed internal reports on two of the highest-profile corporate debacles in American history: the business scandals engulfing the Enron Corp. and WorldCom Inc.

The Enron report, filed with the bankruptcy court in February 2002, laid the blame for the company's financial collapse on management, directors, and outside advisers. The report represented the efforts of 33 Wilmer lawyers, cost about $3 million, and was completed in only three months. The results left McLucas with at least one very big fan.

William Powers Jr., chairman of the special investigative committee of Enron's board of directors and dean of the University of Texas Law School, describes working with McLucas as "one of the true privileges."

Says Powers: "He has rock-solid integrity, and he's tough, compassionate, and tenacious at the same time. That combination of absolutely first-rate technical ability along with a sense of humanity is rare."

The members of the investigative committee worked closely with the SEC, and it was essential, says Powers, that the SEC trust them. But Enron wasn't exactly a top candidate for getting the benefit of the doubt from Washington regulators. As Powers puts it: "They had no reason to trust us except for Bill McLucas."

The WorldCom report, which was no more flattering about the actions of executives and directors that pushed the telecom giant into bankruptcy, was filed with the bankruptcy court in June 2003.

McLucas, a Temple University law graduate, also recently conducted an internal investigation for the Cablevision Systems Corp. Hired by the audit committee, McLucas found millions in improperly recognized expenses over the last three years at two of Cablevision's programming operations.

And in August, he guided Deutsche Bank Asset Management to a settlement with the SEC. The company didn't admit wrongdoing, but paid a $750,000 fine for a conflict of interest in concealing its work advising the Hewlett-Packard Co. during last year's contested merger with the Compaq Computer Corp. Deutsche Bank Asset Management, which cast proxy votes for clients on the merger, stood to earn $2 million in consulting fees from Hewlett-Packard if and when the merger went through.

A 20-year veteran of the SEC, McLucas left the commission as director of the Division of Enforcement in 1998 to join Wilmer. The 53-year-old lawyer describes his eight years as head of enforcement as demanding, but too interesting for him to defect earlier to a higher-paying law firm job.

"You certainly think about the money," he says. "But it was a kick."

McLucas' SEC career encompassed everything from crackdowns on "penny stock" fraud to the spectacular downfall of junk-bond king Michael Milken, the savings-and-loan crisis, and the remarkable market expansion of the 1990s.

McLucas left the SEC, he says, "before the bottom fell out" of the market—and before all those industry giants came tumbling down, before Congress passed the Sarbanes-Oxley Act, and before the SEC beefed up its staff and aggressively changed course on its enforcement tactics.

Making the transition from enforcing federal securities laws to negotiating with federal regulators for clients isn't as big of a leap as it might seem, adds McLucas. His work on internal reports for troubled corporations gives him the opportunity to approach problems much in the way he tackled them at the SEC.

Says McLucas: "I haven't totally abandoned the role of figuring out who did what and when they did it in a very sanitized, fact-based way."