

---

## **Anastasia Kelly** | AIG General Counsel and Senior Regulatory and Compliance Officer

2009-05-15

She works in New York. Lives in Washington. And wrestles with the legal problems of a multinational corporation under siege with government investigators and nervous investors.

Anastasia Kelly has a career that is nothing less than extraordinary.

“I have 550 lawyers and 1,000 compliance people,” says Kelly, the general counsel and senior regulatory and compliance officer of American International Group, Inc., the largest insurance provider in the world. “This job takes every legal and management skill I have.”

Which is why she loves it.

The former Washington D.C. WilmerHale partner is renowned for taking over the legal department of companies (some in flux) – she was previously general counsel at Fannie Mae, Sears, Roebuck & Co., and, most recently, MCI – and then using her skills as a savvy corporate lawyer to manage internal politics and external crises.

“The challenges she has faced – which may be unprecedented for any lawyer

– reflect her ability to confront and address anything that’s thrown at her,” says Bill Perlstein, WilmerHale’s co-managing partner. “Very few people have an interest and willingness to take that on.”

For AIG, problems have only intensified following the subprime mortgage meltdown that started last summer and halted the credit markets. As a result AIG has posted substantial unrealized losses after writing down assets linked to subprime mortgages. And there is word that Maurice "Hank" Greenberg, the company’s former chief executive, faces civil charges from the Securities and Exchange Commission for allegedly cooking the books. The fraud accusations stem from, among other things, a 2000 transaction in which AIG and General Re executives allegedly attempted to boost AIG's loss reserves to make the world's largest insurer look better to investors.

“There’s no question this is a challenge,” says Kelly. “But it’s a natural progression for me.”

Before AIG, Kelly was executive vice president and general counsel to MCI until the company’s merger with Verizon early in 2006. When Kelly joined the company in 2003 the corporate world was painfully adjusting to Sarbanes-Oxley, the sweeping federal law that set new governance standards for all public companies. And MCI was in turmoil: the bankrupt company faced the possibility of disbarment by the Government Services Administration, and was under investigation for fraud.

“At each of the four places she’s been she has brought us in for significant projects and the breadth has increased at each stop,” says Washington financial institutions and corporate partner Russell Bruemmer, who befriended Kelly and her husband more than 25 years ago. “She demands our best efforts and best lawyers for the project at hand.”

During Kelly's tenure, she helped MCI emerge from Chapter 11 while implementing a court-ordered corporate governance plan that toughened internal standards. Those changes stemmed from work done by securities partner William McLucas and other WilmerHale attorneys for MCI's audit committee that revealed patterns of inadequate oversight by the legal department. Kelly stayed at MCI through the bidding war between Verizon Communications, Inc., and Qwest Communications International Inc. (Verizon won, acquiring MCI in 2006 for \$8.5 billion.) These were not idle times to be an inhouse attorney. But then Kelly was no stranger to a corporation in flux.

"I realized that part of my skill set is building teams of people," says Kelly. "I like to work with folks and figure out what they do well and don't do well. That's a management skill set that's not valued in a law firm. It's clearly a skill set valued in a corporation."

Kelly says she owes her recent success partly to her start at WilmerHale. She joined the firm in 1985, a few years after graduating from George Washington University Law School and following a short stint at Dallas' Carrington Coleman Sloman & Blumenthal. Once at the firm she quickly moved through the ranks and became a partner in the financial institution regulation, corporate and securities practices. Kelly built her practice on advising financial institutions and securities firms and counseled senior management and compliance officers. It's variety that Kelly says attracted her to going in-house.

"You are able to control the situation more than you can as outside counsel," says Kelly. "It's a very different practice because it's much more like a general practice of law."

Kelly left WilmerHale in 1995 to run the legal show for Fannie Mae and then in 1999 she moved to Sears, Roebuck and Co. Both tenures were marked by the reorganization of the company's legal departments.

At Fannie Mae she served as the senior vice president and general counsel and corporate secretary. While there she upgraded the in-house legal team in response to increased scrutiny from government regulators and members of Congress and oversaw the legal work for the company's 1996 recapitalization. She also tapped her friends at WilmerHale for work as outside counsel. Those friends include Bruemmer, who says Kelly is a godmother to one of his daughters and that he is considered an honorary uncle in the Kelly household.

At Sears, Kelly as a member of the company's operating committee, was responsible for developing and implementing the corporate legal policy and strategy for the \$40 billion retail giant.

Kelly has also kept busy by serving on a number of nonprofit and corporate boards. Kelly was vice-chair and director of the Association of Corporate Counsel and is chair of the Board of Directors of Equal Justice Works in Washington DC, which funds public interest fellowships for new lawyers. She is also a member of the Corporate Advisory Board of the Appleseed Foundation, which funds lawyers who provide pro bono legal counsel.

As for the future, she doesn't rule out a return to WilmerHale.

"I don't know how long I'll be here but it's certainly something I would entertain," says Kelly. "I still consider those guys my partners."

\*On January 29, 2009, AIG announced that Kelly has been named Vice Chairman. Her responsibilities now include the Communications, Corporate Affairs and Human Resources functions, in addition to her responsibilities for Global Legal, Compliance and Regulatory matters.