

# CORPORATE counsel

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## MOST WANTED

### Labor and Employment

Boutique firm Littler Mendelson is the industry leader two years in a row.

Firm Mentions

**Littler Mendelson 22**

Seyfarth Shaw 18

Morgan, Lewis 17

Jackson Lewis 11

Paul, Hastings 9

Jones Day 6

Akin Gump 5

Fisher & Phillips 5

Baker & Hostetler 4

Epstein Becker 4

Ford & Harrison 4

Orrick 4

Proskauer Rose 4

WHO  
REPRESENTS  
AMERICA'S  
BIGGEST  
COMPANIES?

**Most-mentioned firms in survey**

Davis Polk & Wardwell ..... 35

Jones Day ..... 32

Skadden, Arps, Slate, Meagher & Flom . 32

Kirkland & Ellis ..... 31

Morgan, Lewis & Bockius ..... 28

**Littler Mendelson 27**

Sidley Austin Brown & Wood ..... 26

Baker Botts ..... 21

King & Spalding ..... 21

Mayer, Brown, Rowe & Maw ..... 21

monday, oct. 25, 2004

WHO REPRESENTS  
CORPORATE  
AMERICA

THE  
NEW  
CLIENT  
LIST

THE NATIONAL  
LAW JOURNAL

# 'Fortune' 250 stick with firms they know

This year's survey reflects GCs' reluctance to switch, even if they must pay more.

By Anthony Paonita

ALM NEWS SERVICE

SINCE 1988, *The National Law Journal* has surveyed the legal departments of the *Fortune* 250 companies and reported on which law firms they primarily use.

Staying with the outside counsel you know is the theme of this year's survey, undertaken in conjunction with *Corporate Counsel* magazine, an NLJ sister publication. While some in-house lawyers say they are eager to break long-standing ties with firms in exchange for outside counsel with more attractive fee arrangements, most stick with the large firms they know and trust. "It's like the old Joe Isuzu ads," said Newport Beach, Calif., legal consultant Peter Zeughauser. "General counsel may say one thing, but they often do the opposite."

The same firms that also appear prominently on the NLJ's survey of the nation's 250 largest law firms have turned up at the head of this list, with little variation, over the past few years. "There's a certain degree of comfort in the big names," said Rees Morrison, a principal at the Somerset, N.J.-based legal consultant firm Hildebrandt International Inc.

We asked which firms businesses use as their "primary" counsel in a few practice areas: litigation, corporate transactions, labor and employment and intellectual property. This year we added a new area, corporate governance, to get a sense of the post Sarbanes-Oxley law firm market. The 133 companies that supplied law firm data named 397 firms overall. (In previous years some corporations gave us more than a dozen firms in some practice areas—so this year we asked respondents to limit themselves to seven

law firms per practice area.)

Skadden, Arps, Slate, Meagher & Flom was deposed as the "most mentioned" firm across all categories. It slipped to second place in a tie with Jones Day—with the caveat that fewer companies participated in our survey this year. And Sidley Austin Brown & Wood, last year's No. 2, slid to No. 7. But other 2003 leaders were among the most mentioned firms this year: Davis Polk & Wardwell was the new leader; Morgan, Lewis & Bockius and Kirkland & Ellis retained top spots.

Even though in-house lawyers are under pressure from senior management to shave costs, they don't shop around for the cheapest law firm, especially when it comes to big lawsuits

## Last year's labor and employment winners also retained their top spots... Littler led the category by four mentions

and acquisitions. "Law is not a price-sensitive kind of buy. Companies are buying the brand name and the experience behind it," said Andrew Razeghi of the Chicago-based consulting firm Strategic Lab.

A couple of cultural forces are at play, too. Many businesses have traditional (and sometimes, familial) links to law firms, like Microsoft Corp. and Preston Gates & Ellis. And many general counsel come from, or have worked closely with, their favorite firms for years.

And while talking about reordering vendor relationships may be fashionable, switching from an established connection with a megafirm can be costly, even if the new firm charges less.

One firm comes to the fore for litigation. Kirkland & Ellis widened the slim lead it had over Skadden, with additional mentions this

year (for a total of 16) from Time Warner Inc., McDonald's Corp. and Tenet Healthcare Corp. - McDonald's legal administrator Megan Willis said the fast-food chain added Kirkland to its roster because it faced a securities class action suit alleging that officers inflated McDonald's share price. Willis said, "We go to [Kirkland] for high-profile, specialized litigation."

It's not all bad news for the ex-front-runner; Skadden tied with Davis Polk for first place in corporate transactions. Last year's No. 2, Sidley Austin, slipped to fourth place.

Last year's labor and employment winners also retained their top spots. The three industry leaders—Littler Mendelson, Seyfarth Shaw and Morgan Lewis—held steady, although Littler led the category by four mentions.

Intellectual property firms had some movement, with Howrey Simon Arnold & White moving up from fourth place to tie for most-mentioned with Kirkland & Ellis. Last year, Kirkland and Finnegan, Henderson, Farabow, Garrett & Dunner tied for first place. This year Finnegan drops to third. What happened? Six companies that took our survey last year either declined to participate or didn't disclose their primary IP firms. However, The Goodyear Tire & Rubber Co. cut Finnegan from its list of top IP firms. General counsel C. Thomas Harvie said that Finnegan did "a lot of litigation claims in the past for us, and we didn't need that kind of work this year."

But these are all minor ripples on a generally placid sea. Perhaps AutoNation Inc.'s Ferrando summed up the attitude of *Fortune* 250 chief legal officers best: "We're getting high-quality work from our firms. There's no need to make a change. If we didn't get high value, we'd make a change. But we don't need to." **NLJ**

A version of this article appeared in *Corporate Counsel* magazine.

## M E T H O D O L O G Y

**H**OW DID WE FIND OUT WHO REPRESENTS America's largest corporations? The short answer: We asked the companies. We sent surveys to the general counsel of the *Fortune* 250, asking them to name their primary law firms for litigation, corporate transactions, labor and employment, intellectual property, and corporate governance; we added the last category to our survey this year. In the chart, "primary outside counsel" refers to the law firms that are on the company's preferred list: the "go-to" firms for a specific practice area; firms that handled the most important cases in the previous year; firms used most often; and/or firms with the most billings from that company. The choice of which firms to name was up to the company. This year we asked corporations to limit their selections to seven firms per practice area. Businesses that named more than seven firms within a practice area were required to limit their selection. Also, law firm names have been shortened for space reasons.

We heard from 226 companies, although 83 of those businesses refused to provide any information regarding their outside counsel. When companies declined to participate, we noted that with "Will not disclose" on the chart. There were also 24 cases where we did not receive a response or a refusal from the company. In those instances we noted "Company did not respond by press time."

—KATRINA RUDMIN

# The Law Firms of Choice

WE SURVEYED THE FORTUNE 250 AND ASKED THEM TO LIST UP TO SEVEN PRIMARY LAW FIRMS IN EACH OF THE FOLLOWING practice areas: litigation, corporate transactions, corporate governance, labor and employment, and intellectual property. Just over half of those businesses provided information on which outside counsel they use. Companies are listed according to their 2003 revenue. —KATRINA RUDMIN

2003 Revenue (millions)	Company (# of Lawyers)	Top Legal Officer and Title	Primary Outside Counsel				
			Litigation	Corporate Transactions	Corporate Governance	Labor and Employment	Intellectual Property
\$213,199	Exxon Mobil Corporation (486)	Charles Matthews, VP, GC	Baker Botts; Beck, Redden; Fulbright & Jaworski; Howrey; McDermott, Will; O'Melveny & Myers; Weil, Gotshal*	Davis Polk; Lovells; Pitney, Hardin; Richards, Layton; Sullivan & Cromwell; Torys	Davis Polk; Pitney, Hardin; Richards, Layton; Sullivan & Cromwell	Fragomen, Del Rey; Kean, Miller; Lawrence Ruzow; <b>Littler Mendelson</b> ; Steptoe & Johnson; Vedder, Price	Baker Botts; Covington & Burling; Weil, Gotshal
53,767	Fannie Mae (114)	Ann Kappler, SVP, GC	Holland & Knight; <b>Littler Mendelson</b> ; O'Melveny & Myers; Wilmer Cutler	Arent Fox; Hunton & Williams; O'Melveny & Myers; Sidley Austin; Venable	Gibson, Dunn	Dickstein Shapiro; Holland & Knight; Wilmer Cutler	Collier Shannon; Fenwick & West; Foley & Lardner; O'Melveny & Myers
41,124	Sears, Roebuck and Co. (65)	Andrea Zopp, SVP, GC	Greenberg Traurig; Jenner & Block; Sonnenschein	Jenner & Block; Mayer, Brown; Wachtell	None	Jackson Lewis; <b>Littler Mendelson</b>	Holland & Hart; Michael Best
35,553	Safeway Inc. (23)	Robert Gordon, SVP, GC	Carlton, DiSante; Dillingham & Murphy; Latham & Watkins; <b>Littler Mendelson</b>	Latham & Watkins	Will not disclose	Carlton, DiSante; Dillingham & Murphy; <b>Littler Mendelson</b>	Oblon, Spivak
32,632	The Dow Chemical Company (150)	Richard Manetta, CVP, GC	Baker Botts; Mayer, Brown; Orrick	King & Spalding; Mayer, Brown	Gibson, Dunn; Mayer, Brown	<b>Littler Mendelson</b> ; Paul, Hastings; Seyfarth Shaw	Jenkins & Gilchrist; Morgan, Lewis; Roper & Quigg; Vinson & Elkins
31,263	Lowe's Companies, Inc. (18)	Ross McCannless, SVP, GC, Sec'y	Alston & Bird; Hunton & Williams; Kilpatrick Stockton; <b>Littler Mendelson</b> ; McGuireWoods	McGuireWoods; Moore & Van Allen; Wilmer Cutler	Moore & Van Allen	<b>Littler Mendelson</b>	Alston & Bird
19,681	Abbott Laboratories (94)	José de Lasa, EVP, GC	Jones Day; Kirkland & Ellis; Munger, Tolles; Patterson, Belknap; Winston & Strawn	Baker & McKenzie; Jones Day; Mayer, Brown; Skadden	Will not disclose	Baker & McKenzie; Brothers & Thompson; <b>Littler Mendelson</b> ; Mayer, Brown; Seyfarth Shaw	Will not disclose
18,878	Cisco Systems, Inc. (75)	Mark Chandler, VP, GC	Bingham McCutchen; Clifford Chance; Fenwick & West; Morgan, Lewis; Orrick; Piper Rudnick	Fenwick & West	Fenwick & West	Fenwick & West; <b>Littler Mendelson</b> ; Orrick	Baker Botts; Beyer Weaver; Cesari and McKenna; Hickman Palermo; Weil, Gotshal
18,808	CIGNA Corporation (100)	Judith Soltz, EVP, GC	Harkins Cunningham; O'Melveny & Myers	Fried, Frank; Hogan & Hartson; Skadden	Gibson, Dunn; Morris, Nichols	<b>Littler Mendelson</b>	Ladas & Parry; Morgan, Lewis
18,291	Sara Lee Corporation (63)	Roderick Palmore, SVP, GC, Sec'y	Jenner & Block; Kirkland & Ellis; Sonnenschein	Kirkland & Ellis; Sidley Austin; Sonnenschein	None	Constangy, Brooks; Greene and Letts; <b>Littler Mendelson</b>	Kilpatrick Stockton; Ohlandt, Greeley; Sidley Austin; Womble Carlyle
14,741	The Goodyear Tire & Rubber Company (52)	C. Thomas Harvie, SVP, GC, Sec'y	Ballard Spahr; Covington & Burling; Dickstein Shapiro; Vorys, Sater	Cleary, Gottlieb; Covington & Burling; Thompson Hine	None	Frantz Ward; <b>Littler Mendelson</b>	Brouse McDowell; Wood, Herron
13,724	UAL Corporation (26)	Paul Lovejoy, SVP, GC, Sec'y	Kirkland & Ellis; Mayer, Brown; Seyfarth Shaw	Cravath	Cravath	<b>Littler Mendelson</b> ; Mayer, Brown; O'Melveny & Myers; Seyfarth Shaw	Brinks Hofer

WND = Will not disclose

\*The company provided more than seven firms in this practice area, but had to limit the number to adhere to our methodology.

# WHO REPRESENTS AMERICA'S BIGGEST COMPANIES

## Primary Outside Counsel

2003 Revenue (millions)	Company (# of Lawyers)	Top Legal Officer and Title	Primary Outside Counsel				
			Litigation	Corporate Transactions	Corporate Governance	Labor and Employment	Intellectual Property
\$12,359	Office Depot, Inc. (6)	David Fannin, EVP, GC, Sec'y	Greenberg Traurig; Jackson Lewis; Latham & Watkins; McDermott, Will; Proskauer Rose; Williams & Connolly	Skadden	McDermott, Will; Skadden	Jackson Lewis; <b>Littler Mendelson</b> ; Morgan, Lewis	Latham & Watkins; McDermott, Will
12,176	Whirlpool Corporation (40)	Daniel Hopp, SVP Corporate Affairs, GC	Barnes & Thornburg; Nall & Miller; Nelson Mullins	Baker & McKenzie; Barnes & Thornburg; Cantu Y Estrada; J.M. Pinheiro Neto; Kirkland & Ellis; Mayer, Brown	Kirkland & Ellis; Wachtell	<b>Littler Mendelson</b>	Barnes & Thornburg; McGarry Bair; Sonnenschein; Taglia, Fette
11,892	The Progressive Corporation (160)	Charles Jarrett, CLO	Baker & Hostetler; Fulbright & Jaworski; Greenberg Traurig	Baker & Hostetler; Wachtell	None	Baker & Hostetler; <b>Littler Mendelson</b>	Baker & Hostetler; Fay, Sharpe
11,700	Solectron Corporation (17)	Michael Grady, VP, CLO	Bergeson; Wilson Sonsini	Baker & McKenzie; Wilson Sonsini	Wilson Sonsini	<b>Littler Mendelson</b>	Thelen Reid
11,574	Waste Management, Inc. (32)	Richard Wittenbaker, SVP, GC, CCO	Akin Gump; Baker Botts; Bracewell & Patterson; Saul Ewing; Skadden; Vinson & Elkins; Ware, Snow	Baker Botts; Locke Liddell; Preston Gates	Baker Botts	Fisher & Phillips; <b>Littler Mendelson</b> ; Reed Smith; Seyfarth Shaw	Bracewell & Patterson
11,134	Masco Corporation (21)	John Leekley, SVP, GC	Davis Polk; Dykema Gossett; Heller Ehrman; Jenner & Block; <b>Littler Mendelson</b>	Davis Polk; Honigman Miller	Davis Polk	Jackson Lewis; <b>Littler Mendelson</b> ; Wimberly, Lawson	Carlson, Gaskey; Foley & Lardner; Rader, Fishman
10,506	General Mills, Inc. (34)	Siri Marshall, SVP Corp. Affairs, GC, Sec'y	Jones Day; Robins, Kaplan; Zelle, Hofmann	Collier Shannon; Dorsey & Whitney; Faegre & Benson; Wachtell	None	<b>Littler Mendelson</b>	Robins, Kaplan
9,399	CHS Inc. (4)	David Kastelic, SVP, GC	None	None	Dorsey & Whitney	<b>Littler Mendelson</b>	Merchant & Gould
9,117	Centex Corporation (45)	Raymond Smerge, EVP, CLO	None	Baker Botts; Thompson & Knight	Baker Botts; Thompson & Knight	Baker Botts; <b>Littler Mendelson</b>	Baker Botts
9,067	Caremark Rx, Inc. (26)	Edward Hardin, Jr., EVP, GC	Bell, Boyd; Foley & Lardner; Fowler, White; King & Spalding; Steptoe & Johnson; Ungaritti & Harris; Winston & Strawn*	King & Spalding	King & Spalding	<b>Littler Mendelson</b>	Patterson, Belknap
8,931	Clear Channel Communications, Inc. (27)	Andrew Levin, EVP, CLO	Akin Gump; Ford & Har- rison; Gardere Wynne; <b>Littler Mendelson</b> ; Reed Smith; Susman Godfrey	Akin Gump; Wiley Rein	Akin Gump	Akin Gump; Ford & Harrison; <b>Littler Mendelson</b>	None

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