

FINAL TRANSCRIPT

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****ACC - Practical Career Progression Tips for the In-house Attorney**

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Dan DiLucchio

Altman Weil, Inc

PRESENTATION

Dan DiLucchio - *Altman Weil, Inc*

Good afternoon, this is Dan DiLucchio from Altman Weil and I like to welcome everyone to the Association of Corporate Counsel Web Cast. Practical career progression tips for the in-house attorney.

I would like beginning by welcoming our panelists for this afternoon's session and also welcoming all of those of you who have dilled in today to be with us, so I welcome the audience as well. Altman Weil is delighted to be the sponsor of law department management committee and were flattered to be involved in what I think is an excellent program for today. Let me begin by introducing the panelists for today's program.

The panelist are Lucinda Long, who is the general counsel and senior vice president of Valley National Bank located or headquarter I believe in Wayne New Jersey. I'd also like to welcome Dennis Schoff, who is the senior vice president and general counsel for Lincoln financial group, headquartered in Philadelphia. Last but certainly not least, Jim Hatcher who is the senior vice president, legal and regulatory affairs for Cox Communications, headquartered in Atlanta Georgia. Welcome to the panelist.

I'd also like to point out to our audience today, that on the web cast site, that could be located through the ACC web site, are some additional materials that you will have access to and they include the ACC career development resources, which are downloadable and accessible to you. Also, a presentation that has been made by Altman Weil on career path opportunities for in-house counsel. So if those are of interest to you we encourage you to seek those out. I'd also like to point out that during the web cast you can send questions that we will pose to our panelist and the questions can be sent to seminars@altmanweil.com. We will try to get all of your questions addressed as we go through the afternoon.

First of all panelist welcome! We would like to initially take a few minutes and ask each of you, Lucinda we will begin with you, to introduce yourselves, your role in your organization, tell us a little about your organization, and the size of your law department and the services you provide.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Thank you very much for including me and I'm very proud and happy to be here today. So let give you the information that you were just describing. I am senior vice president and general counsel of Valley National Bank, which is approximately \$11 billion bank headquartered in New Jersey. Having operations primarily in New York City and in New Jersey. We have about 140 branches, and we not only been our full function sort of commercial bank but we also own a number of financial sub-city areas including title insurance agencies, regular insurance agencies, broker dealers, ect. In the legal department at Valley National Bank, it started in 1991 with one lawyer who was me and we have since grown to a total of 5 attorneys. Two of the attorneys are specialist

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and are affectively assigned to different business units and 3 of us including myself are generalist. So we are one the businesses classified as a small law department which, although we have lots in common, I think with any legal department inside a corporation there are some special characteristics I think.

Dan DiLucchio - *Altman Weil, Inc*

Terrific! Thank you. Dennis tell us a little about Lincoln Financial.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Sure, Lincoln Financial is a fortune 500 company. We provide financial products primarily insurance, annuities, and mutual funds through distribution both wholesale and retail. Are retail operation is Lincoln Financial Advisors, financial planners which can be found in all 50states in he United States. My law department, we have about 40 attorneys. There located in 4 cities although we have 3 locations within Philadelphia here. In addition to Philadelphia, I have attorneys in Fortwin, Indiana, Hartford Connecticut, and Syracuse New York. In addition to the attorneys I have 24 paralegals and 18 administrative assistance in 8 other which include a private investigator on staff some I-T staff and office administrator and so forth. I fall somewhere between that medium to large department, probably large department although there are some obviously much greater size than that.

We are a full service law department. We handle everything from litigation to the securities filing, to general corporate work for the board. Although obviously, like most firms we have a significant outside counsel expenditure which runs about equal to the size of my inside budget as well. My outside budget runs somewhere between \$5-8 million dollars a year. And that's it in a nutshell.

Dan DiLucchio - *Altman Weil, Inc*

O.k. great thank you. Jim how about Cox Communications.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

O.k. Dan thank you. Cox communications, up until last December was a fortune 500 company, we went (inaudible) last December. We have well over \$6 billion in revenue and we operate table systems throughout the country-San Diego, New Orlands, Phoenix over 20 locations throughout the country. We provide the cable video service but we are also are in the high speed data or broadband business and the telephone business. So we get into a little bit of everything. We try to be a full service department. We have 20 attorney and because of that we are limited in some of the things we do not do, we do not actually do litigation in-house but we do supervise it from in-house and there are some other areas that we rely entirely on outside counsel and like the others there is a lot of overflow and partnering without counsel as well that we use them on. The mention the 20 attorneys, five paralegals, in 1993 there was 1 attorney so you can see we've had some rapid growth over the last dozen years or so.

Dan DiLucchio - *Altman Weil, Inc*

That's terrific. Thanks to each of you. Those are great descriptions. Jim, let me ask you, with your 20 attorneys, how are you structured in terms of levels. Do you have management levels and non-managements levels and what are the tiers is there a tiered structure?

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Jim Hatcher - Cox Communications - Senior Vice President, Legal and Regulatory Affairs

Yes there is. I have 5 attorneys who report directly to me who manage the routes, the other attorneys. Each one of those is our assistant general consul and two of them also have the title of vice president and then they manage group's attorneys that are divided functionally. We have a what we call litigation group, we have the business operations group, we have an employment group so there divided into various areas like that.

Dan DiLucchio - Altman Weil, Inc

So you have a, in terms of the career progression, the possibility into moving into a management sort of a management track.

Jim Hatcher - Cox Communications - Senior Vice President, Legal and Regulatory Affairs

Yes, as far as layers we have basically 4 titles I guess. You've got the attorney level, we have a senior attorney level and the assistant general counsel level and then the general counsel level. So there is not a whole lot of upward mobility opportunities if you will because there is not a lot of different paths. So this is consistent with our business side where there levels are basically manager, director, and then executive director and officer of vice president so the company culture does not have a whole lot of layers and titles on them.

Dan DiLucchio - Altman Weil, Inc

Relatively flat.

Jim Hatcher - Cox Communications - Senior Vice President, Legal and Regulatory Affairs

Right

Dan DiLucchio - Altman Weil, Inc

Dennis how about your structure and layers. How do the management levels and non-management levels work?

Dennis Schoff - Lincoln Financial Group - General Counsel and Senior Vice President

Sure, were just slightly larger than Jim. We don't go much taller in the way of (inaudible) chart, we allow are farley flat. I have 5 attorneys that report to me as well. Some of them are functional some of them are by business unit. Three represent the different business lines ones over our investment funds complexes, where one handles some of our distribution and ones are life annuity operation. In addition to those 3 general counsels, I have 2 that manage sort of shared services areas. One does employment and litigation, and the other one does shared services and state relations. Below them, a couple of them have sub-managers as well that manage practice groups within there business unit so to speak, so from a management layer prospective there is me, my direct reports, and in a couple of cases management people underneath them. On the non- management side we also have a number of titles or levels you can go through basically 4 started from this or the intra level assistant council all the way through a senior counsel level.

Dan DiLucchio - Altman Weil, Inc

O.k. Great thanks. Lucinda you must be in a somewhat different situation with a smaller department.

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Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes to talk about layers reality particularly in obviously small departments like mine. All 4 of the attorneys who work for me report to me and they do range in terms of level within the organization as between more or less junior in terms of their corporate titles and there legal titles are basically senior counsel for all of them. The 2 people, who are the specialist, have a very close relationship obviously with their respective business units and primarily do their work in those areas. With 3 generalist we also specialize, I'll put that word in quotes however, in different areas but there is some overlap and of course in a small law department, reality is that you basically have to be able to deal with whatever comes through the door. So it is a very different sort of situation.

Dan DiLucchio - *Altman Weil, Inc*

Yea clearly. In your organizations you describe the kind of the tears and I assume lawyers can progress through those tears, depending on your needs and openings and opportunities. What are the opportunities lawyers might have to move into business roles in your organization. Can they leave the law department and move into a business function?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

We've had actually 3 of our attorneys move on to the business side and they have been very successful. My personal philosophy is if I have a good employee in a legal department and they were a good fit for business level, I would much prefer them to stay with the company than to leave the company to take an advantage. So we do not, not only we not try to restrict that, we actually encourage people if they do have an interest in the business side to look opportunities there.

Dan DiLucchio - *Altman Weil, Inc*

Jim what do you think was attractive either to there lawyers or to the business folks to pull those lawyers into the business side?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

What happen in almost each one of the cases is the lawyer was representing a particular function unit in the business and enjoyed that area of the business. As they got to know the clients, not only got to know the business better, they became valuable and wanted to move on to the other side. I guess as little paraphication one of our philosophies here is almost all of our lawyers spend a significant part of that time doing quote business decisions. We do that for a couple of reasons. One is I think that for the most part the lawyers enjoy it. They enjoy seeing the business side, getting involved in business strategies, and decisions and ECT. And the other area there were for the lawyers we had of some bright, intelligent people and if they can contribute on business side as well as the legal side the company benefits from them.

Dan DiLucchio - *Altman Weil, Inc*

Lucinda, I guess the same question. Do the lawyers have opportunities to move over to the business side?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Well I think if there was a person, excuse me, in our law department who was interested in that and who had the capabilities, I don't think it would be a closed door, however it has not ever come up in practice that anyone particularly wanted to do that. I think essentially in small law department, although moving to a more strictly business kind of position, is theoretically an object you could achieve. I think the reality actually is that you have to define progression perhaps in a different way, which is in the more conventional way of getting promoted, or receiving you know, if you don't get promoted in terms of title that you

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receive significant salary increases or other benefits, you know, stock options or whatever and then of course always the succession issue of people who would like to become general council. Then of course there is always the possibility of moving to moving up, if you can't move up within this smaller organization, moving up by moving out to a different entity. So I think progression is sort of a different kind of issue than an obviously a larger organization.

Dan DiLucchio - *Altman Weil, Inc*

Good. Dennis what experience at Lincoln Financial relative to moving into the business units.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Similar to Jim, although I think we probably had more experience with it. I think I can name probably 8-10 attorneys that I've moved over to the business side and its for a lot of same reasons they both identified, both Jim and Lucinda have identified, in the since that it's a way of progressing upward if you don't see it half for clearly in the legal side. It's also very attractive to those who have an auntrapronrio or business benefit to go into the business side and make more of a dicisiontry. We at Lincoln do try and push back a little bit on the lawyers making business decisions. It sounds like Cox Communications encourage. I've always been a little frubled by the issues that creates from a privilege prospective. So lawyers that want to get into the business side are a little forward in our environment and do tend to want to move over to the business side. I would also footnote that in several cases after a period of time on the business side, we've allowed them to come back in. Some of the people who have come back in have move into the management ranks. Their experiences in the business side have prove to be very helpful to them as managers when they have come back into the legal area.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Dan, if I could just add one thing. I think what also happens to the smaller organization is that even if there is no formal movement into a business position, the reality is that if it turns out that you were very good at certain things and clients in that area really liked you. For example, in compliance, which is you know obviously related to legal matters anyway to start with, but if that's in our case, for example, I'm very interested in that and so as a practical matter I have one defiantly one large foot on the business side which regard to that sort of issue as well a just the legal side. So I think that in a smaller organization you can get very involved in the business but it's more a matter of an informal kind of moving into that role because the clients trust you and think that you would be helpful.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

If I can re strap off of Lucinda's commits. Compliance is one of those areas that is such a can to law that it's easier for lawyers to move in and out of that than some of the other business areas compliance, claims processing, some areas where you have a lot of legal interaction anyway it's very frequent you see the lawyers slipping in and out of those roles.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

I think one of the additional characteristics of in-house practice is there is a difficult; there is not a bright line between business side and legal side.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

I second that.

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Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

You know, when your in a negotiating table and your sitting by a business person and your working as a team, are function as a lawyer or are you function as a business person. It's really not relevant you're trying to get the best deal for the client in that situation.

Dan DiLucchio - *Altman Weil, Inc*

This is terrific. Let me use your comments about what I consider to be knowledge of the business, which I think you were all describing as a fundamental need for every lawyer to have, at least the in-house lawyers. What other kind of criteria do you look for when you're looking at lawyer career progression? It certainly sounds like having a knowledge of the business in that expertise is important. What about other criteria, the work quality, the service, the client orientation, leadership abilities or management abilities.

Jim, what about at Cox?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Well, I think that the main criteria or the main thing you look for is client satisfaction. And that is achieved by a lot of the qualities you mentioned. Quality work product, responsiveness, knowledge of business, a lot of those fundamental issues, and that is very important in job satisfaction and performing your job well. As far as leadership abilities and management abilities one of the things about being an in-house attorney is that someone has to do the managing.

Someone has to sign the TNE's and do the budget and that sort of stuff. And frankly not every graduate of a law school wants to do that type of work. They prefer to do pure legal work and are not interested in that. So, one of the challenges we have is to make sure that attorneys can be rewarded for coming and just practicing law. Where as those that might have a bent toward a management side are also given the opportunity to grow in that area.

Dan DiLucchio - *Altman Weil, Inc*

Good. Jim, you mentioned one of the really important pieces was client satisfaction. How do you measure that with your lawyers, your individual lawyers? Do you go out and talk with your client's? Do you wait for their feedback? How do you factor that in?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Well, we actually have two ways. At Cox we do have a formal survey that we do of all of the employees here. Looking for their satisfaction with all of the departments, not just the legal department, but also the human resources, marketing and others and we get that feedback. And that's helpful, but frankly Dan, you hit the nail on the head. The best way is the informal. Go ask the client. Are you happy with Sue's work? Are you satisfied with Joe's work? What can we do better? What do we need to change and how can we help out on that?

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Dan DiLucchio - *Altman Weil, Inc*

Good. Dennis, what about the criteria you look for at Lincoln, when you're looking at career progression? What do you want your lawyers to have in the way of criteria?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Well, I would echo all that Jim just said and I think embedded in that is one other concept. And that is peer relationships within the law department. You have to properly manage and lead a group of other lawyers. They have to have the respect of their colleagues, in addition to the respect of their clients. That's a real key point. And I also really like Jim's point about the fact that a lot of good lawyers don't want to be managers and a lot of good lawyers that want to be aren't qualified to be good managers. Because it is a different skill to manage people and to be a good lawyer. So we too have wrestled and struggled with how do you reward people that want to stay on a non-management track and become just good subject matter experts. And I find that difficult sometimes even within my own organization. Because on the business side people tend to be rewarded more as they move into management positions. And it's a little unique or unusual for you to make the case why this person should be treated and compensated at a vice president level even though they have no one reporting to them.

Unidentified Speaker

Lucinda, what about this criteria for lawyer progression. How does that concept relate to your organization?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Well, of course, when you are in a small organization you're always under the magnifying glass. It's close up. Which are a good thing and a bad thing? Realistically, I think in this size organization and law department we really have more of a team approach to things as opposed to any particular levels are hierarchy. Talk about flat, I mean its about as flat as you can get other than the fact that, obviously there is a general counsel and then there is the rest of the staff. I just wanted to make a couple of comments about the knowing your business. I think it's also critical that when I look at lawyers in terms of hiring them or promoting them that they really like the business. That they are fascinated by it, intellectually. That they are fascinated by the industry and that on their own initiative, not because they are simply that they are either told to or because they think it's going to help them progress. But just because they have this basic fascination with the industry in terms of what's going on? What are the critical legal issues that are coming up? Who are the key players? Who's buying whom? Who are trends? So it's not just the organization but your organization, but also the entire industry. And then I think in terms of knowing your business it's not just simply a matter of knowing the financial health and that sort of thing. But you really have to understand what key business risks that senior management has identified. Because that clearly becomes the focus of a kind of a lot of the legal work that you're going to be doing. And I really think the key - what I look for in people -- is do they really comprehend that their primary function is a risk manager. Which is being a lawyer? Yes, but with all sorts of other things added to it. And I also -- in a small organization and in any organization it's very critical to look into the relationships that the lawyers have with their clients. Whether or not they are respected. Whether they are viewed as being indispensable and helpful. As opposed as arrogant, obnoxious, that sort of images that lawyers sometimes has. And then again, because of the size of the law department, unless you are person who can get along with other people and work cooperatively and pitch in whenever necessary. Your career is going to be real short.

Dan DiLucchio - *Altman Weil, Inc*

It's interesting and I think the three of you have mentioned things that I would understand to be defined today as a high level of emotional intelligence. The disability to get along with others to serve the clients, to understand what you bring to the table. Sounds like that is an important component of a career and career progression today.

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Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes, I would like to just add one other thing which is - although I'm sure that this true in every law department. Particularly in a small law department where your resources are very limited. Your work habits are also extremely important. In other words, are you someone who can literally change gears every ten minutes and not have that make you crazy? Can you keep your cool in that sort of environment? Where there is an emergency at least two or three times a day, probably in areas that - at least once a week - which you've never even thought existed, much less had to deal with. So it's very much sort of a firehouse kind of atmosphere in a small law department and a lot of people who are lawyers don't do well in that kind of environment and don't like it. So, it's very crucial I think that the personality of the lawyer you hire, if you're a small law department, fits into that kind of mode of operenda (ph).

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

And in today's world I think that applies, Lucinda, even to a large department. We all joke around here that nothing on my calendar is what I'll actually do today. It's always something new and to your point Dan. I think EQ is real important in today's world. It also prompted me to talk about values in general are something that we look pretty hard at when it comes to just keeping someone on staff. But certainly for a management position. They have to be of a character that we are comfortable with. And given the new changes to the law for example, 307 (inaudible) in reporting out requirements it becomes even more critical that there is a huge trust factor on both the legal management and business side for every attorney on your staff.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

At Cox we are in a very similar situation. One of the most important things we look at, if not the most important thing we look at in hiring new attorneys, is the fit with the companies' culture. Because when you work in-house you can't just walk away from a client. You're there with them and in today's world you're there with them 7/24.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes, like he just said I think I agree with you about corporate culture. I've always thought that's the crux of getting to know an organization. But two things in particular, one is - and some of the articles that are listed on the website talk about this - so I don't want to claim originality. But first of all, the level of risk tolerance varies greatly from organization to organization and very often lawyers given their training have a much lower level of tolerance than of course the business people do. So you really have to be able to gage where your organization is at. It's very relevant for example in contract negotiations, especially also for - of course - in litigation and how you approach that. And then another critical issue I think when you take a job in the law department is to try your best anyway, to get a sense of how is the legal department viewed by senior management. Is it viewed as sort of a pain in the neck that has to be put up with and costs too much money? Or is it viewed on the other end of the scale, is it viewed as a critical and trusted and valued partner. And that differs greatly from company to company.

Dan DiLucchio - *Altman Weil, Inc*

Are there ways that the three of you can assess this fit and the values that somebody brings to the department, when their hired? Or is that something you simply experience as time goes by and they are with you and working with you?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Well hopefully you don't wait until somebody's already in there, because if you've made a mistake it's very difficult to unwind it. So what we do at Cox is first of all a significant number of our hires are through personal referral. They are either through attorneys that are on my staff or friends of friends or somebody who already knows the individual candidate involved. And then

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we do go through a series of interviews. We like to have a half a dozen or more people interview each candidate finalist to make sure that everybody is going to be comfortable with the person and have a good feel for it. So a lot of it is just what your gut feel is. But you try not to make a mistake at the get go because, as I said it's very difficult to unwind if you do.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

I agree with that. Lincoln has, it's fairly public. We've touted the fact that since we sell intangible materials our greatest asset is our people. And our current CEO John Bosh has made a big push over the last five, six years since he's been CEO, that to focus on talent. We have a very extensive interview process including a what we call a SCIDS interview; Strategic, Chronological, In-depth, Survey. Which comes from a group called Smart and Associates? That it's a three or four hour interview where they look at their history and they look for value type issues as they go through that interview process. And so we have a pretty good snap shot of an individual before they even get an offer. I won't say its full proof. I haven't found an interview process thus yet that is. But we take great pains and put great effort in trying to come up to a conclusion before we make that offer.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

With respect to our hiring practices. As I said before, when you're in a small law department everybody's up real close. So it's real crucial that you try to find someone that you can live with. So what I do -- a couple of things, is I have some or all of the other attorneys who work for me interview the person along with me, in a joint interview, as well as talking separately. But actually have them in a joint interview. And in addition, what I often look for is - I listen very closely to how they talk. Their communication skills. Obviously the substance is important too. But I'm also looking at the actual language they use. Whether they explain things in jargon or whether they seems to be somebody who can speak clearly and simply. Whether they talk the way the people in my organization talk. If that makes any sense. And I want to make sure that they are people who have a good sense of humor and I also often give them hypothetical situations which have nothing to do with their particular experience at that point in their career. In other words if they have been specialists in real estate I ask them some hypothetical that has absolutely nothing to do with real estate, along with checking out their expertise.

Dan DiLucchio - *Altman Weil, Inc*

How important is it in today's environment. You got as Dennis mentioned -- you have the mix of inside costs versus outside cost. And I would expect, Lucinda and Jim you have significant outside costs as well. How important is it that in-house counsel has law firm experience and knowledge of how law firms operate? And is that helpful in managing? Is that an important factor? Jim?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Okay, well I'll take first stab at it. Of the attorneys we've hired, we've only hired one directly out of law school. And I think fortunately a lot because of the individual involved this particular circumstance that has been a success. But I generally shy away from that and it's not so much learning law firm practices, etc. It's more I don't have the capability to train someone fresh out of law school in most instances. A lot of times I'm looking for subject matter experts and I don't have the senior partner, if you will, who can train somebody in trademark law or whatever it is. So, my only alternative there is to go wading law firms or even other large corporate legal departments.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yeah, I agree with Jim. It's just not feasible for most corporations to do that sort of training and I think generally corporations do not hire people just out of law school. I personally think that having law firm experience is crucial. Because -- for the reason he mentioned. But also since supervising litigation is something all my lawyers do. It's very crucial to me that they know what's

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involved in litigation. They should know how much it costs to do certain kinds of tax related to litigation. They ought to know, how does the litigation proceed. What are the different steps and what are the different kinds of issues that come up at each step. And since that is clearly the largest item as you pointed out in our budget. And since we're always trying to keep costs down I really think having been in-house is crucial.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

I think that's right. That sort of experience is how you are able to negotiate with outside counsel. Gives you some credibility when you sit down and talk to them. Lincoln used to do it the other way around. When I came on board in 1990, there were only a few people there that had had outside counsel experience. We used to hire a regular class from the law schools, much like a law firm would do, and train them through, with a rotation and time spent in all of our different business units, but starting about that time we had pretty much hired exclusively from other firms or other companies, and I think it's been very successful for us.

Dan DiLucchio - *Altman Weil, Inc*

Great. Lucinda, let me ask because I want to talk a little bit about the progression, but it seems to me, you know, based on a smaller law department and the flatness that you've described there, Jim and Dennis are kind of working with at least some tiers and opportunities for progression. When you are hiring, what type of attitude, what type of person would be joining the small department, knowing that the opportunities are somewhat limited?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Well, I think -- you know, it's sort of a mixed bag. Only one hand, you may have people applying who, you know, are looking for a corner to go sit in for the next 25 years, and, you know, hopefully, from their point of view, they won't have to obviously go get clients, like they within a law firm. In other words, they basically just want to sort of hideout and do their shtick (ph). I'm not interested in people like that. I'm interested in people who are ambitious. I understand from the gecko (ph) that they may not stay in my law department forever, and that's fine with me, I understand that it's a step for a lot of people, but also I do think that -- I try to stress the advantages that a small department has over a big law department, you know, the lack of bureaucracy, the fact that you deal with senior management and on shouting basis with them, you know, basically all of the time as opposed to only dealing with specialized areas, let's say, of a very large corporation. That there's a huge variety of work, and if you are someone who likes, you know, constant surprises and new areas of law that you've never even heard about every day of the week, if you view that as challenging, you know, a small department is the place to be. And you can make, you know, a lot of money. I don't know that we make that much less than people -- you know, the typical lawyer in a large law department, and I think you are also much more independent. You know, the supervision, because we only have people who are very experienced in what they are doing, the amount of supervision you get is not that much, so if you are independent minded person you can sort of do your own thing. So I think, you know, there are a lot of pluses to this kind of environment, which might not at first glance the obvious.

Dan DiLucchio - *Altman Weil, Inc*

Terrific, thank you. It has been I guess my observation over the years, having been you know working with law departments for over two decades now, that there are some real challenges that you are facing, at least most departments. It seems as though there isn't a lot of turnover in departments, which means you know there may not be a lot of openings and opportunities. Dennis and Jim, you've certainly described relatively flat organizations. Lucinda, certainly yours is a flat organization. Has career progression for in-house counsel become more difficult in the last 5 years, 10 years? Jim?

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Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Correct. It definitely has at Cox in specific. I don't know about in general, but in 1993 we had one attorney in-house. And then we grew to our current size over probably about a 9 or 10-year period and have remained fairly level and stable since then, very little turnover and very little opportunities for advancement. So it created, initially, a mind-set of -- gee, there is a lot of opportunities for advancement. When we were Lucinda's size, we were flat. But as you got bigger, you sort of have to have some managing layers and that, and that gave somebody the opportunity to move into that position. Now I have 5 people in the managing positions and they've been there for years and years and hopefully will stay there from that point of view. But from the people underneath them, there's nowhere to go up. So the challenge is to make the job interesting, exciting, and to do -- as Dennis alluded to earlier -- let people know that there's more to being a lawyer than just being in the management area. That you can be a very great success being a real lawyer in a corporation.

Dan DiLucchio - *Altman Weil, Inc*

Great. Dennis?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

We, too, have faced an issue with people staying in the positions for a long time and younger attorneys or less-experienced attorneys saying -- There's no place for me to go up. The one thing that's happened at Lincoln over the last ten years has been we've gone through a number of acquisitions and divestitures, which, as you change your business model, it has allowed us to change our legal model a couple times. So I've seen some promotions there. We also have a very mature law division in the sense that most the lawyers have been here for quite a few years and I think there'll be some retirements coming up and I think people see that as an opportunity for some promotions as well. But it is difficult. It's such a steep pyramid or a flat organization, however you want to put it, that people see very little opportunity to move forward and you work hard to show them their worth otherwise.

Dan DiLucchio - *Altman Weil, Inc*

Lucinda, any thoughts, comments on that?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Well, I would agree with what my colleagues have said. The main problem I have with my staff -- there are two of them -- one is how prevent them from getting bored. And number two, how to prevent them from getting frustrated in terms of the rewards that they receive from their perspective. So I think it's very important to try to be creative about that and to understand very clearly the importance of symbolic rewards as opposed to monetary rewards, which are sometimes not there, and to really try to encourage the feelings of camaraderie, a pleasant work environment, et cetera, and to also try to provide some of what people historically have thought are the advantages of being in-house as opposed to being in a law firm. Flexibility, let's say, with regards to scheduling, perhaps not having as long work hours. And I work very hard at trying to stress those sorts of elements. Also shifting around people's areas of work when they sort of get burnt out and bored by one area of work, I give them something else to do.

Dan DiLucchio - *Altman Weil, Inc*

Uh-huh.

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Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

So there are a lot of things that one can do when you're short on money and other resources and promotions.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Another thing we do, some, to try and make people feel more like part of the management team is to make sure they have plenty exposure to the senior management team. Lucinda mentioned that in a small organization, you're going to interface like that a lot, but in a big one, I think some of the less-experienced or junior lawyers feel so remote from senior management that if you can give them an opportunity to attend a board committee meeting or to sit down with senior management on a project, that's another reward that plans for them to take.

Dan DiLucchio - *Altman Weil, Inc*

It sounds like -- and this kind of leads to one of the questions I had -- as I've looked at organizations -- especially corporations over the last number of years -- it seems as though we've been moving from what used to be kind of a paternalistic attitude to one where you're really kind of on your own and you have to take care of yourself and there's what we now call self-managed careers. And it sounds like some of the things you're talking about are things that you would do to assist lawyers in developing their careers. I am reading that right?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Definitely. This is Dennis. When we sit down on our annual development plan/performance review with the attorneys, we work hard to help them identify what their development needs are to ultimately get into those management roles. And then turn it back to them and say -- Okay. How are we going to address these needs? If you ever make it to this position, you'll want these skills in place and what's the best way for us to get there? Keeping in mind that I may be talking about them managing a law department that's not necessarily at Lincoln, but my goal is to help each lawyer progress as much as they can on an individual development perspective.

Dan DiLucchio - *Altman Weil, Inc*

Um-hum. Okay. Actually, let me turn to a question that we've received from one of the members of our audience, which I think fits into this discussion. The question comes in and is posed in this way -- Given the emphasis on word-of-mouth recommendations and law firm experience, what do your departments do to meet the diversity goals of your companies? What advice can you give women and minorities who are interested in working in-house?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

I'll be happy to start with that. At our legal department we are over 50% female and over one-third people of color. And what we do in order to achieve that is when we are looking for new candidates, we make sure we look at a very diverse pool of candidates and then select the one from that pool that's most qualified. A happenstance maybe what has been happening here is the most qualified candidate has also been a female or a minority, so it's been -- worked very well. But one thing I did find in that is that when you're talking about the personal referrals, when you hire your first female attorney or when you hire your first minority attorney, they can be a tremendous help in tapping into the network of other qualified candidates that create diversity.

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Lucinda Long - Valley National Bank - General Counsel and Senior Vice President

Yes. I think another piece of that, though, is that -- I agree with everything you've said. Another piece, though, of course, is being active in professional organizations where you meet people from all sorts of other companies, et cetera, and create those kinds of networks so that you're not simply limited to advertising in the paper or advertising in the local law journal or asking your current staff if they have people that they could suggest, but also you've managed to make contacts with other organizations, other in-house counsel whom you can also consult.

Dennis Schoff - Lincoln Financial Group - General Counsel and Senior Vice President

Yeah, I don't think that can be overplayed. The networking within the industry, particularly the in-house bar, is really key. I've really gotten a lot out of -- not to plug the organization sponsoring this, but ACC and particularly the local chapter in being able to reach out, then -- as you've just suggested, Lucinda -- not necessarily to hire somebody I've met, but to have them help me expand my potential candidate pool.

Dan DiLucchio - Altman Weil, Inc

Good. Terrific, thanks. I have another question here, but before I pose it to the panelists, I just want to remind everyone who's tuned into this webcast that you can send email questions to us at seminars@altmanweil.com. And the questions are coming in, but for those of you who tuned in maybe a little bit later, I just wanted to make you aware of that opportunity, so . . . Here's another question I'd like to pose to our panelists -- What advice can you give the in-house legal specialist to be able to advance his or her career, especially the mid-level attorney who would like to be general counsel one day? So this is somebody after your jobs, what are you going to -- do you advise?

Lucinda Long - Valley National Bank - General Counsel and Senior Vice President

Well, my advice would be you have to build -- number one, you've got to keep your GC -- your current GC happy with you so that in the meantime, you're still there -- which is obvious. But anyway, the main thing you have to do, I think, is you have to build your own alliances. You have to get to know who the key players are in the organization; you have to win their respect; you have to work with them. You basically have to build a reputation and convince the senior management that you are the logical person in terms of succession. So it's sort of playing both sides. Obviously you would like the current general counsel to be a proponent of yours as well. But I think crucial thing, actually, is building a political base with senior management as you go along.

Dennis Schoff - Lincoln Financial Group - General Counsel and Senior Vice President

And don't focus simply on senior management of today in the sense that --

Lucinda Long - Valley National Bank - General Counsel and Senior Vice President

Right.

Dennis Schoff - Lincoln Financial Group - General Counsel and Senior Vice President

-- a mid-level attorney is needing to deal with the mid-level peers because someday they'll be the senior management when that individual wants to become general counsel. So I think that's very well put in that networking internally is critical, but don't only focus upward. The other thing I would add is I find it very important to have actually a written development plan, even if it's your own in the desk drawer someplace, think about -- Where am I strong and more importantly, where am I weak and how

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can I start fixing those weaknesses and becoming the candidate that will fit the bill for the general counsel role? And revisit that written plan regularly and work hard to patch the holes. In today's world -- I mean, we've all joked earlier about how busy we are -- it's just too easy to keep our head down and buried on our day-to-day work without focusing on the long-term goals here and putting some time -- it does take time to develop those skills -- putting the time in to become the right candidate as a GC.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

The other thing is as a GC, you're expected to have expertise and knowledge, experience, et cetera, in every critical area of the business. So as a lawyer who's coming along, you want to make sure that you don't get pigeon-holed, either by yourself or other people, as just being the person you go to for X. You have to deliberately cultivate learning the entire business and the legal problems and legal work associated with all the different areas of the business, because as GC, that's your job.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

And like Dennis does at Lincoln, we sit down with each one of our attorneys and talk about their career objectives and what they want to be. It's all like -- Where would you like to be in five years? I would not be at all offended -- in fact, I would encourage any of our attorneys to say -- Well, I would like to be general counsel. And my first question is -- Well, are you talking about just general counsel at this company or general counsel of other companies? Because depending on what their desires are, you could have different ways of achieving that career objective.

Dan DiLucchio - *Altman Weil, Inc*

Terrific. Ask a question here because sometimes when I'm speaking to in-house counsel, some of them raise the question of the need or desire for an MBA, combining an MBA with their law degree and their experience as an in-house lawyer will help them advance their career. How important do you think that is?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Well, at our company, I don't see that as being important at all, frankly, other than the more you learn, the more you know, the better you're going to be able to represent your client and help them. Now, whether that comes from an MBA or some other post-graduate study or life experiences, it's all going to be helpful. But I don't go looking for attorneys that have an MBA.

Dan DiLucchio - *Altman Weil, Inc*

Uh-huh. Terrific. Okay. We have another question here. And this has to -- this deals with relocation and relocation opportunities. And, Dennis, I believe you mentioned lawyers in a number of different offices, but let me pose the question for you -- Often when an employee states that relocation is limited because of a dual-career family, this is interpreted as he/she won't move. How do you advise that an attorney address the issue of relocation? How important is it to career progression?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Unfortunately, in today's world and in a lot of companies, it becomes more and more important. I not only can sympathize, I can empathize. In '99 I was asked to relocate from Indiana out here to Philadelphia as part of my career progression. And it was a difficult choice. My wife is a practicing attorney, had a great career going on back in Indiana and we basically had to sit down and work through that. But much like the questioner's asking, I'd expressed some reluctance about it, but when it came time for the question, we just sat down and analyzed it. So I think whenever you're discussing it with your senior management, you need to make it clear that it's an issue, but it's not an insurmountable issue, and for the right opportunity, you'd be willing to

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explore it. I think one advantage in today's world is that so many people are relocating. You don't see a 30-year company person anymore. And so the trailing spouse will not have as much as difficulty as perhaps in the past in finding a new position when they get to the new city.

Dan DiLucchio - *Altman Weil, Inc*

Uh-huh.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

But at Lincoln, at least it's viewed as a key position to be able to take that you can take positions around the country is very important to us. Relocation, ability to relocate is one of the key indicia of a guy that wants to move up in the organization.

Dan DiLucchio - *Altman Weil, Inc*

Uh-huh. Good. I think the question just came in and probably relates to the discussion we were having about the general counsel position and having that as an objective or a goal. The question is -- What experience, credentials, skills must a person possess to become a general counsel? Not necessarily at the company that they are currently with. Anybody want to take a shot at that one?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Well, I'll try. I mean, I've only been general counsel at one entity, so I can't really compare in that sense, but I think there's sort of basics that have to be given. You have to be -- and I don't mean to sound immodest here, since I am a general counsel -- but I think you have to be not only a competent lawyer in several areas of the law, but you clearly have to have a passing knowledge -- at least be able to identify issues in all the crucial areas of law that come up in any business, whether it's -- if you're a real estate lawyer, historically, you have to know about HR kinds of issues and that sort of thing. So you have to have areas of expertise, but you also have to have bare bones, issue-spotting kind of level of knowledge about basically everything related to the operation of a corporation. I think you have to be -- you have to enjoy being a leader. That has to be something that you aspire to doing and it has to be something that you're good at and something that you enjoy. You can't be timid. You have to be able to organize people and build consensus. You have to be able to be very persuasive, because the higher up you go in management, it seems the more -- what shall we say -- stubborn they often tend to be in their views about things. And I think you have to be someone who is self-confident and is not afraid of people who are higher than you are in a hierarchy, that, if the CEO is saying -- I think you're crazy; I don't agree with you; why can't we do that? You have to have the ability to calmly respond to that and give the advise and not get emotional and not take it personally. But on the other hand, not to be intimidated because a CEO needs -- and senior management needs general counsels who are not intimidated by them, who will tell it like they think it is, who will be respectful and diplomatic, but who are not scaredy-cats who are always worrying first about -- Oh, I'm going to get fired if I say this.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

And in today's world that last one is probably the most important. You're seeing the SEC and a lot of regulators saying that the attorneys are the gatekeepers. And as general counsel, you have to not only be self-confident, but you have to have an extremely good judgment as to when is it that I need to go over this person's head, whether it's to the board of directors or otherwise.

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Dan DiLucchio - *Altman Weil, Inc*

What about the view from Cox here, Jim?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Yeah, I was going to say, I think Lucinda touched on this earlier when she was talking about interviews, but to me one of the critical things is good communication skills and has to be able to explain to, if you're a CEO, some complex legal issue and explain to them why they should be spending thousands and thousands of dollars to implement a compliance program or whatever it might be at the time. Along with that, you've got to earn the trust of the business people and they have to feel comfortable with their general counsel, that their general counsel is truly acting in their best interest, even though they may not be agreeing with what they want to do. So a lot of the communication and a tangible part of it is important.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Just back to that EQ, the emotional intelligence you were referencing earlier, Dan, that you just really have to be a person that can tell how and when to present things.

Dan DiLucchio - *Altman Weil, Inc*

Great. Well, thank you. Let me pose another question here and, Dennis, let me start with you at Lincoln, and here is the question. Other than the common structure as full-time in-house counsel, are there other structures that could work well? For example, you know, you need a counsel for approximately 30 hours a week.

Would that be a 30-hour a week employee, or would you look, you know, to contract providers to provide some assistance? And then, you know, what are the issues involved with that? Are there ethical issues that impact the attorney/client privilege or problems created through a contract provider?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Great question, and actually interestingly, we do have one small subsidiary we acquired by acquisition in the last few years that does have a counsel position that's an outside counsel that really serves more as the internal chief counsel to that subsidiary. So it can and does work. It's a little awkward at times.

Obviously, they're not in my reporting structure, so I have, you know, issues with that, how to figure out how do I get the information to and from that attorney, but by and large, I think it can work. It's not my preferred model, but it is possible. It does raise not only - I don't think it raises much in the way of ethical issues because outside counsel and inside counsel, I think, are bound by and large by the same standards and duties of care.

I don't see much there. I do see potential issues with some of the incentive comps, options, incentive comp and so forth. You're going to limit that to your internal legal staff, and so that may create issues for the person trying to fill that role.

Dan DiLucchio - *Altman Weil, Inc*

Okay. Jim, how about Cox? Do you use alternative methods of filling positions?

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Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Yes. We actually use several. We now have a part-time employee who works 2 days a week and has been very successful in that. We also have another one who works 4 days a week, the 32 hours of (inaudible), and once again, it's been successful and we've been doing this for several years.

Just as sort of a (inaudible), when we first looked at time to do the 4 day a week job, one of the biggest issues that we had to confront was frankly the compensation issue because for somebody who is working 32 hours a week, you automatically think, gee, they're working 80% of the week. But very few lawyers, and none that I know, work 40-hour weeks.

Your job is expected to work a lot more and you're expected to be available and work a lot of times off hours if you will. So we needed to take that into account and also when the person said, well, I'm only going to work 4 days a week, you know, there were conference calls on their day off, they were called at night just like all the rest of us have and do like that.

So there was a little balancing of time to figure out exactly what is the appropriate way to compensate that.

Dan DiLucchio - *Altman Weil, Inc*

Good. Lucinda, what about at the bank? Is there ...

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Well, we don't have basically a part-time approach, although at one point, we did have an attorney who only worked 3 days a week and I, myself, when I was in private practice, worked for a couple of years 3 days a week. And it can work but it's as you described, which is that you have to be able - you have to be flexible. You have to be on call if necessary.

You have to - if they want you to come in on a day that you normally don't work for something special, obviously you have to go. You often have to call clients or deal with issues from home, so you know, it's like sort of full-time, part-time work.

One thing I just wanted to add, I think there's a big opportunity that a lot of people who are interested in working for corporations are missing, which is to sort of build up.

And you need to be I suppose in a more urban area, but to build up sort of a string of smaller companies for whom you can be their outside/inside kind of lawyer, their sort of outside general counsel, in that those kinds of companies are not really large enough that they feel that they could support a full-time legal department.

But on the other hand, they really do need a general counsel kind of person, and I know several people in New Jersey who have been able to, you know, they're in private practice in other words, but they've been able to set up this kind of relationship where they are essentially working for maybe 2 or at most 3 smaller corporations providing the general counsel sort of function.

And in terms of compensation, you know, you bargain for what you want and need, whether it's in terms of money, but also benefits and that sort of thing.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

There's a gentlemen here in Philadelphia that has done the same thing and one of the things he negotiated for was the ability to use the office space at one company 5 days a week, and provide services to 3. He services his other clients using the phones and office space the other few days out of that company's headquarters.

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Dan DiLucchio - *Altman Weil, Inc*

Terrific. Well, I have to say panelists, you are providing some terrific ideas and advice, and it's pretty obvious because the questions are rolling in for some career advice here.

So let me pose one of the other questions we received. How would you view a senior level former in-house lawyer who is a vice president and assistant general counsel and also a managing lawyer, who has 15 years of experience and moved to a significant operations role in a mid-sized business for a couple of years, but now desires to move back to a legal role?

Is that business management experience a plus and is being out of the legal role for a couple of years a negative? Jim, it sounds like you may have described some experience like that earlier.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

We actually have someone that sounds very similar to that where they did some work with one company and took some time off to do a lot of pro bono and charity work and then decided to get back into the corporate legal environment. And we were very fortunate to hire this person because he brings a wealth of experience.

He is focusing on one specialized area and has just become a subject matter expert in that area and just a great addition. So if you have the right match for that type of person, I would not hesitate one bit to hire him.

Dan DiLucchio - *Altman Weil, Inc*

Yes. Dennis?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

I agree. We had at least 2 different situations where people have moved into the business side and came back, particularly came back into sort of a management role. They have a really good feel for how to run a business unit and that's very helpful.

Dan DiLucchio - *Altman Weil, Inc*

Okay. Lucinda?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Sounds good to me.

Dan DiLucchio - *Altman Weil, Inc*

Sounds good to you? Okay, good, good. Here's a good one and I'll toss this up and see which of you would like to field this. It's a great question. How can you build a political base with a business leader who strongly disagrees with your legal advice? What do you do?

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Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Well, having run into that now and then, as I'm sure we all have, I think you have to be able to establish a personal relationship separate from the business relationship and you can't let the fact that you disagree about legal courses of action, you know, cause you to end up being enemies.

And I think the way to do that in practice is you have to have a sense of humor and be able to introduce that into the relationship and show that you don't take yourself so seriously and that you're not, you know, freaking out and totally offended and huffy because the business person often disagrees with you.

And that you do need to develop a social relationship, you know, have lunch, tell the executive about some movie you saw and, you know, have those kinds of more personal kinds of human-to-human kinds of interaction as opposed to just simply always talking about legal issues. I know that sounds probably simple minded, but it does work.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

That's exactly where I was going to go, Lucinda, so I completely agree.

Dan DiLucchio - *Altman Weil, Inc*

Great. Jim?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

One of the advantages of being in-house is you the opportunity to develop a personal relationship and take advantage of that opportunity because you're sure going to need that down the road somewhere.

Dan DiLucchio - *Altman Weil, Inc*

Thanks. Very good. Back to - we're going back to our relationships and our ability to work with others.

Again, let me take an opportunity to remind our audience that if they have questions and the questions are rolling in, but again, remind you that you can send your questions to seminars - S-E-M-I-N-A-R-S, @altman, A-L-T-M-A-N-W-E-I-L.com, and we will try to handle all of the questions as we proceed.

Let me move to our next question. As an in-house counsel in my 10th year of practice, I have now become specialized in an area of law/practice that does not seem to be easily transferable or marketable to other areas or other companies. How do you recommend that I broaden my experience or gain experience in areas that are more marketable or transferable?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Well, I'll give a start on that. What we would do if we were faced with that situation, and we do have attorneys who are very much subject matter experts in a limited area, during the career progression reviews that we have throughout the year, as Dennis does and Lucinda, if that attorney were to let that be known that that was a concern, that they would like to broaden their experience and get into some areas, we would do that, or make an effort to do that.

We have a situation right now where an attorney who is an outstanding regulatory attorney came to us and she said, I would like to get more experience in some other areas and so we have her helping out on doing some mergers and acquisitions.

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You know, maybe 5 or 10% of her time, but at least gives her some exposure somewhere else and some different experience, but it also helps keep her fresh. It gives her new things to do and new challenges, so I see benefits all around for trying to do things like that.

Dan DiLucchio - *Altman Weil, Inc*

Great. Dennis, how about at Lincoln?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

We do the same thing in the sense that, particularly if they're up front about it in the development planning process, to sit down and say, well, what areas would you be interested in, particularly if we can find something that aligns with their skill set or at least related to the area they practice in, mergers and acquisitions being a perfect example like Jim just described where you can bring those and use them in another context.

I also think that just getting them on panels and discussions in the industry is also helpful to expand their knowledge, basically what's going on in the world and getting exposed to other companies.

Dan DiLucchio - *Altman Weil, Inc*

Terrific. Lucinda?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes. I think clearly one part of it as you just alluded to is CLE. I mean, you've got to learn the other areas of law and the way to do that is to go to CLE programs. And if it ends up you have to pay for them, you know, yourself or keep them secret given the environment in your company, well, that's what you've got to do.

I do just want to put in a word of caution here though, which is that although I am very happy as a GC to try to help people develop in whatever directions they want, and there are lots of advantages to that, the reality also is sometimes that what they - the new area they want to go into frankly is not what I need a lawyer to do. It might not be really a priority, especially in a small law department.

You have to pick your battles. You've got to pick your areas of priorities. So realistically, I think, you know, as a GC, you're obligated to try and help people and do as much as you can to be flexible, but people need to understand also that there are limitations to that and that it may be that what they realistically have to do is to get the education that they need.

They may not be able to get the actual experience in their current job and then look for a different job.

Dan DiLucchio - *Altman Weil, Inc*

Great, thank you. Thank you all. Here's a question, and I think a lot of people will identify with this, even if they haven't been in a general counsel role, they might be in another role, but here's the question. Many general counsels find themselves looking for jobs because their companies are acquired or for other very legitimate reasons.

Ideally, they want to progress in their new position but often it is difficult or otherwise undesirable to find a GC position in another company. So they might be considering a position that might be viewed as a lower level position in a larger company.

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How can such a person get serious consideration without appearing to be threatening to the GC or otherwise not a good fit because of his or her previous experience as the GC?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

I'd like to respond to that. It certainly is a rock in a hard place. But I think, you know, you have to be honest, number one, which is to tell them why you're particularly interested in their company. For example, maybe the second level position you're looking for is in a company that's larger, that may be in the same business but is much larger than the one that the person came from.

And so you can make the argument, well, you know, I'm very interested in working in a more sophisticated, more maybe international opposed to national, whatever kind of organization, to draw the distinctions between where you were and where you are trying to get a job.

And to try and come across and to be sincere that, you know, that you see that there are lots of opportunities to expand and learn and that you don't know it all at this point, and that this opportunity represents a good thing for them given your prior experience, but also gives you a great opportunity to learn all sorts of new things that you haven't had before. Whether they'll believe you is a different question.

Dan DiLucchio - *Altman Weil, Inc*

Okay, thanks. Dennis, any thoughts on that?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

I would agree and I'll throw out one other thing, that they may find a more sympathetic audience than they expected since that when I go into my talent review with my CEO, I have to lay out a succession plan and if I found somebody that is comfortable sitting in that second chair and learning and developing.

But I can also point to them that this is the person that's going to take my job if I win the lottery because I'm not coming back the next day, that's helpful.

Dan DiLucchio - *Altman Weil, Inc*

Okay. Jim, how about Cox?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Yes. I'll take a little different tact. I'm going to pick up on something that was said there just a minute ago. As much as we like to try to help people in that personal career as a development, sometimes it's just not in the cards.

And I think in those particular instances, we need to be honest and frank with the person and say, you know, if your goal is to be X, I don't foresee you ever becoming X in our company, so you might need to look elsewhere. If you're satisfied doing this, this and this, you're a valuable addition to our company and we'd love to keep you in those areas.

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Dan DiLucchio - *Altman Weil, Inc*

Okay, terrific. Thank you. We have a question - this I think touches on our topic of practical career progression tips, but goes out a little bit farther I think in terms of compensation and I think some of the question here really relates to the various job titles that we've talked about, levels of experience and how compensation works in your systems.

In other words, what portion is salary versus, you know, and a base amount versus incentives and how does that work as you progress through your organization?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

This is Dennis. I'll on a very general level touch that one first. In Lincoln, the way we structure this, the higher you move up in the organization, the greater percentage of your compensation, that's incentive. So on a salary percentage, the increases are not significant, but your incentive comp becomes much bigger.

Likewise, your opportunity for option grants and other forms of equity compensation become more regular and larger the higher up in the organization you go.

And to allude back to an earlier part of this conversation, that's the piece that we're trying to make a path for sort of technical specialists as well as managers to move up in that hierarchy and obtain those higher incentive comp levels and equity options for people that are not managing people, but are very valuable to the company.

Dan DiLucchio - *Altman Weil, Inc*

Dennis, before we go to Jim and Lucinda on this one, in terms of the incentive packages, what are they based on? Is that individual performance? Is that company performance? Or is that a mixture of the two?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Largely company and it's a good question in the sense that it dovetails with the comment before in the sense that as you're moving up in the hierarchy, the lower level attorneys are far more tied to their particular business unit, so as that business unit does well, your incentive comp goes up.

But more senior, you become, like my direct reports have, a far more significant percentage tied to how the enterprise as a whole does. And then we have a small - perhaps 2 small pieces that tie into individual performance.

Most of it is tied to company performance, our philosophy being that the individual performance part will show up in your ability to get promoted and how well you stay with the company.

Dan DiLucchio - *Altman Weil, Inc*

Lucinda, how does it work at the bank?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Essentially the same as he just described.

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Dan DiLucchio - *Altman Weil, Inc*

Okay. And Jim?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

We are very similar. Our compensation level is in light (ph) step with the rest of the company and the attorneys are not done separately other than we do do salvage surveys to every position in the company and use that as our guide for the basic compensation.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

We do as well. That's a good point, Jim. We very much try to be tied to the market.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes. I agree.

Dan DiLucchio - *Altman Weil, Inc*

Okay, great. Thank you. I have a question here which is interesting. It says, can in-house counsel effectively work virtually?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Not very - to a degree, yes, but I'm going to really have to qualify that. We've talked at least 3 or 4 times in this conversation how important that relationship building is. I think the higher you are up in the legal organization, the more important that face-to-face time is for exactly the reasons we've discussed.

You're going to have to have some hard conversations with some very senior people and if you've only known them through e-mail or your laptop, that conversation is not going to go well. By the same token, as at least one of my colleagues said, we work hard at creating an environment where there are some advantages of being in-house, so I have had situations where people work from home 1 day a week.

I've got some lawyers that come in very early and leave early for childcare reasons. So you can do a lot virtually, particularly in this world of laptops and blackberries, but I still think that to try and largely design your job that way will not be effective. Lucinda or Jim?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

I agree entirely. The culture at Cox, especially a decentralized culture as I mentioned, we have locations throughout the country and we like for the general manager of each location to be in charge of his own destiny there. However, the legal department is centralized.

Every one of the attorneys are here at corporate headquarters in Atlanta and I feel strongly that that's the way it needs to be. That being said, we are, like Dennis said, a big advocate of flex time. We recognize that as an attorney, you're going to work 9, 10 hours a day, but we try to allow people to pick which 9 or 10 hours of the day it is they are going to work.

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If someone wants to leave to go to visit the kids, who will play or go to the softball game, but then they pick up the work later at night through laptops, blackberries or what have you. So we try to give that flexibility, but not a total virtual working situation.

Dan DiLucchio - *Altman Weil, Inc*

Jim, can I ask a follow-up question there? And then, Lucinda, I'd like to go back on the virtual nature of this, but how important is it and what are your expectations for lawyers to travel with all the different locations you have, to travel out to meet with your clients and your business folks?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Well, every one of our attorneys travel and that's just sort of one of the expectations. Now, we do try to accommodate family needs. We try to give them as much control over their travel plans as we possibly can, but if we need an attorney in California, then we're going to send the attorney to California to handle them out (ph).

I will say that in today's world with all of the telecommunication capability there is, there's probably not as much need as there was 10, 15 years ago, but I'm also a firm believer that that face-to-face contact is invaluable. And every time we go to a field location, it's amazing to people that come up to you and say, oh, now that I see you, I thought about this legal question I need to ask you.

And low and behold, you've uncovered a potential antitrust violation or something. So it is a great way to help people and do some preventive law, to be out in the field and face-to-face with your clients.

Dan DiLucchio - *Altman Weil, Inc*

Lucinda, what about the virtuality? Can lawyers effectively work virtually?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

I think perhaps they could in the large law department that had specialized areas, especially if the person, you know, his practice was very document oriented, you know, reviewing contracts, that sort of stuff. In a small law department, frankly, I don't think it's feasible at all.

The only experience we've had is when we had one of my staff members was seriously injured and had a long recuperative time at home. So we experimented that way and, you know, it was better than nothing, but frankly, it just, you know, doesn't do it because you really have to be present. It's sort of like, you know, running a deli in a supermarket.

People come and take numbers and stand in line and want to ask you questions, and so you have to be there. So although obviously people under special circumstances for a limited amount of time can do that, I just don't see it being feasible as a regular kind of relationship.

Dan DiLucchio - *Altman Weil, Inc*

Okay. You know, it also sounds like one of the tools that lawyers really need today, even though we can't totally work virtually, is an ability to maximize the use of technology. Is that something important in your law departments?

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Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes. You basically have to be available all the time, so in terms of cell phones, blackberries, and also you have to basically be able to do a lot of your own work. You can't just sort of dictate things into Dictaphones like people did 20 years ago.

So you have to be knowledgeable on the computer. You have to be able to do legal research on the computer and track down all sorts of people and issues, so I think it's very crucial, yes.

Dan DiLucchio - *Altman Weil, Inc*

Dennis, what about at Lincoln? How important is it that for my career, I know how to use technology and can do my own work?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Oh, very. You see it in the ratio of administrative staff to attorneys for one thing and we're expecting people to be able to type their own e-mails and to do their own research and so forth. We're a very heavily technology oriented law division and I think it's critical to getting the efficiencies you need out of a lawyer today.

Dan DiLucchio - *Altman Weil, Inc*

Jim, how about at Cox?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

The same thing. I am dreading the day that they invent a waterproof blackberry I have to carry in the shower with me.

Dan DiLucchio - *Altman Weil, Inc*

That will happen soon.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Yes, it will happen, I'm sure, but it is very critical that the client is able to get in touch with that lawyer because in today's world, there are crises, real or imagined, but there are crises going on all the time.

Dan DiLucchio - *Altman Weil, Inc*

Okay. We have a couple more questions I'm going to try to cover what I can and then we're down to our last few minutes and then I'd like to do a quick wrap up.

I have one question here, what advice do you have for a general counsel at a small company, the legal department of one, who would like to join a larger department at some point in her career? Any advice on how to make that entry into the larger department?

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Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

Well, I'll take 1 stab. As Dennis mentioned earlier, the networking and all and the real best way to go is to get to know people in that larger department, particularly the general counsel. The ACC, other legal groups are just a great way to do that and I would suggest just (inaudible) the network as much with the target company as you can.

Dan DiLucchio - *Altman Weil, Inc*

Okay. Dennis or Lucinda, any thoughts on that one?

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Well, we've touched on a little bit too about the fact that as coming in as a GC, you've got to make clear what your expectations and desires are, but I think Jim said it right on the head in the sense that the ACC, typically your local chapter, is a great way to meet fellow general counsel and get to know those departments and where that opportunity might be.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Absolutely and as part of that, I think it's important to also try to speak on panels and in other words, you know, get yourself known in the larger community of lawyers, in-house lawyers in your area.

Dan DiLucchio - *Altman Weil, Inc*

Great. Well, we're getting down to the last couple of minutes and I'd like to take this opportunity first of all to thank our audience for their participation for giving us some terrific questions and we hope that we have provided them with some specific and actionable answers. And I guess I would ask, again reminding everybody this is practical career progression tips for the in-house attorney.

I'd like to ask each of our panelists if there are any other thoughts that they'd like to share with our audience today and anything that we've missed or any other thoughts that they have. So Lucinda, anything else that you would like to share with our audience today before we wrap up?

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Yes. I would urge people not to be shy about telling their clients when they win something, especially if the winning involves saving money or recovering money or taking in money. You cannot be shy.

You have to - if you want to get ahead in the company, you have to focus I think on, you know, 2 or 3 sort of big accomplishments that you want to do during the year and not just get stuck in the day-to-day activities, which is very easy to do. You could just get so caught up in the day-to-day kinds of things and the emergencies that come up every day, that you never focus on the larger topics.

And the senior management people have to see that you are also potentially a big picture person and when you do well, you need to toot your own horn.

Dan DiLucchio - *Altman Weil, Inc*

Right. Thank you. Dennis?

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Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

I'm going to echo that and then one other final comment, and that is to make sure you keep balancing your life. I mean, it's easy to kind of get caught up in the career and focus on that. Not only will it keep you more sane, but it's something I look for when I'm looking to promote somebody.

Do they currently have a balance in their life and will they keep that balance in their life? You've got to be a holistic person when you go through this process.

Dan DiLucchio - *Altman Weil, Inc*

Okay, thank you. And Jim?

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

I guess the one thing I would add to those 2 excellent points is to - for an in-house attorney to learn to appreciate risk. Lawyers are considered risk averse (ph) and particularly a lot of outside attorneys.

One of the biggest complaints I hear about outside attorneys is that they "over lawyered it", which is just another way of saying they didn't appreciate the risk that I'm wanting to take, and business people live with risk. They're living it because they're successful at knowing what risk to take and we need to learn to appreciate that.

Dan DiLucchio - *Altman Weil, Inc*

Well, thank you. I have one final logistical piece that I'd like to pass on to our audience and that is that this presentation has been recorded for replay and it will be accessible after 3:00pm today through the ATC Web site and it will also be accessible for a year from this date.

So anybody who wants to return to this, listen to some of the wonderful advice that I think you received from our panelists today, you will have the ability to do that. So with that, I would like to thank Lucinda, Dennis and Jim Hatcher for just a wonderful webinar today. It was terrific. The web cast was great.

I think you've provided everyone with some terrific practical advice. I know you spent a lot of time preparing for this and thinking about it and on behalf of the Association of Corporate Counsel and Altman Weil, I'd like to thank each of you for your participation.

Jim Hatcher - *Cox Communications - Senior Vice President, Legal and Regulatory Affairs*

My pleasure.

Lucinda Long - *Valley National Bank - General Counsel and Senior Vice President*

Thank you.

Dennis Schoff - *Lincoln Financial Group - General Counsel and Senior Vice President*

Thank you.

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