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Looking Back: Law360's 2019 Legal Lions And Lambs

By **Aebra Coe**

Law360 (December 20, 2019, 10:20 AM EST) -- It was a big year for explosive news in the legal industry. LeClairRyan's bankruptcy landed the firm on 2019's final legal lambs list, while Mayer Brown's four wins at the U.S. Supreme Court last term secured it a spot among the legal lions.

Here, Law360 rounds up 2019's noteworthy legal industry peaks and valleys with one final legal lions and lambs list.

Legal Lions

High Court Heavy Hitter

Mayer Brown LLP scored more wins than any other law firm before the U.S. Supreme Court in its latest term, which ended in June, **an analysis by Law360** found. The law firm represented clients in seven cases before the high court and won four times, more than any other firm reviewed by Law360 for its term review scorecard.

Simply arguing before the Supreme Court is a high for many law firms, but winning four times in one term is a major victory, according to legal industry pundits who say high court appearances and wins are a boon to a firm's prestige.

"The Supreme Court itself is a known 'brand,' if you will, with a high percentage of the public thinking of it as the 'ultimate court,' occupied by the best of the best, and responsible for historic and precedent-setting cases," said Howard Breindel, co-CEO of branding agency DeSantis Breindel. "In that sense, being associated with the Supreme Court 'brand' has a halo effect for law firm brands, as it speaks to the importance of the kind of work they do, and the trust placed in them by those who have matters that rise to that level."

In addition to Mayer Brown's four wins, three firms won three times at the court last term: WilmerHale, Kirkland & Ellis LLP and Jones Day.

Practicing — and winning — before the Supreme Court looks good not only to clients and the public but also to sought-after talent, Breindel said.

"Working at a firm with a substantial practice before the Supreme Court is a compelling message for law school students as it speaks to the potential opportunities for their own careers," he said.

Associate Bonus Leader

Milbank LLP **announced its year-end associate bonuses** on Nov. 7, moving to establish its bonus scale before its competitors and effectively setting the bar for the rest of the legal market on bonuses in 2019.

After the firm announced it would be paying its associates bonuses of between \$15,000 and \$100,000 based on seniority, a number of other large law firms quickly followed suit.

The first-mover title is a big win for Milbank, according to legal recruiter Mark Jungers of Lippman Jungers LLC, as it positions the firm as a leader in the industry on compensation.

Each year, multiple media outlets report on the first mover on bonuses and reference the firm's bonus scale when publishing subsequent articles on those firms that match, Jungers said.

"It does make the firm look like a leader to be the first firm out of the gate to reward their hard-working associates," Jungers said.

Law Students Make Waves

A group created by Harvard Law students called the Pipeline Parity Project set out last year to pressure law firms to stop using mandatory arbitration and nondisclosure agreements when hiring lawyers, and the group has managed to spur action in 2019 by multiple law firms.

In November 2018, the group published a letter urging their fellow law students to boycott employment offers from Kirkland & Ellis over the firm's use of the mandatory agreements. The efforts were expanded to include other law firms, and by April a raft of BigLaw firms had publicly announced they were ditching the agreements, including Kirkland & Ellis, Sidley Austin LLP and McDermott Will & Emery LLP.

The group's activism also led the National Association for Law Placement to **announce in December** that it will begin including information on law firm use of arbitration and nondisclosure agreements in its directory information.

Making major changes in BigLaw firms can be difficult, and many say the students' ability to do so is a remarkable achievement.

"One important aspect of this effort is that law students are leveraging their own power in the hiring process in a way that has already led to positive change," said Lauren Rikleen, president of the Rikleen Institute for Strategic Leadership. "Changing law firm culture is a slow process, but the students have already made a significant difference."

Big White-Collar Win

In September, attorneys for ex-Skadden Arps Slate Meagher & Flom LLP partner Gregory Craig **secured a jury verdict** clearing the attorney of a criminal charge under the Foreign Agents Registration Act, which had alleged that he lied to U.S. Department of Justice officials to cover up his role in a media "seeding" plan designed to aid Ukrainian officials.

Craig, who was President Barack Obama's White House counsel before going to Skadden nine years ago, was indicted in April as part of a spinoff case from special counsel Robert Mueller's probe of Paul Manafort's covert lobbying in Ukraine.

The verdict ended one of the most high-profile white collar cases of the year. And, for many, it was a successful outcome against what is viewed as a more aggressive approach on the part of the DOJ on FARA enforcement.

"From a defense standpoint, obtaining an outright acquittal in any federal prosecution — let alone a high-profile case — is a considerable achievement, as it means that not a single juror believed the government had met its burden of proof," said David Laufman, a partner at Wiggin & Dana LLP who previously oversaw FARA enforcement at the DOJ, and who now represents clients in FARA compliance and investigative matters.

Craig was represented by William Taylor III, William Murphy, Paula M. Junghans, Ezra Marcus and Adam Abelson of Zuckerman Spaeder LLP.

Legal Lambs

The Dissolution of a Law Firm

After months of lawyer departures and stalled capital redemption payments to former shareholders, LeClairRyan filed for Chapter 11 bankruptcy in September and announced it would be winding down operations.

According to the filings, the defunct firm estimated assets and liabilities between \$10 million and \$50 million. Many of the liabilities are obligations to the firm's landlords. Within weeks of the original filing, the Office of the U.S. Trustee **sought to convert the case** into a Chapter 7 liquidation.

Founded in 1988, LeClairRyan at its peak had close to 400 attorneys, 160 of whom were shareholders, and more than two dozen offices nationwide. After reorganizing from a professional corporation into a professional limited liability company in 2018, shareholders became known as members. When the wind-down was finally announced after weeks of speculation and rumors, the firm was down to fewer than 40 members.

"Law firms are only the people they have," said Chris Batz, a legal recruiter at Find the Lions. "If the people lose their confidence in the future of the firm, departures will follow. Unless law firms and their leadership course-correct by making hard strategic decisions, they will end up like LeClairRyan."

A BigLaw Leader Pleads Guilty

It's not often that a former BigLaw leader admits to a crime in federal court, but it happened this spring when former Willkie Farr & Gallagher LLP co-chair Gordon Caplan pled guilty in Massachusetts as part of the "Varsity Blues" nationwide college admissions cheating case.

Caplan admitted to paying \$75,000 to have a test proctor change his daughter's ACT score. After he pled guilty, Willkie severed ties with Caplan. And then in October, a judge **sentenced him to one month** behind bars.

Caplan showed no emotion as the sentence was handed down by U.S. District Judge Indira Talwani. Speaking softly, the attorney told the judge he made the "worst decision of his life" and said that he has wrestled with why he chose to commit the crime since his arrest. Caplan said he would never forgive himself for what he did, and recognized that his is not a "victimless crime," apologizing to parents and children who applied to colleges and were not admitted.

"My situation boils down to this: I failed," Caplan said at the sentencing. "I failed my daughter, I failed my wife, I failed my son, my parents, my colleagues, my friends, and I failed the profession that I loved so much and worked in my whole life."

Trans-Atlantic Merger Talks Disintegrate

The legal industry sat up and took notice when, in September, merger talks between U.K.-based Allen & Overy LLP and U.S.-based O'Melveny & Myers LLP **fell apart after more than a year** of discussions about a possible tie-up. The combination would have created an approximately 3,500-attorney firm.

A source familiar with the matter told Law360 that the main reason the merger talks were called off was the unsteady macroeconomic climate, particularly the effect of fluctuating foreign exchange rates and lower U.S. interest rates on the deal's valuation.

Sealing the deal on a financially integrated trans-Atlantic merger between two large law firms is like Simone Biles landing her triple double flip — "everything must go perfectly" for it to work, Jon Lindsey of Major Lindsey & Africa told Law360 at the time.

More often than not, it doesn't go perfectly, he said. Currency fluctuations in Britain with the uncertainty of Brexit could easily have been one of several factors that resulted in a crash landing for the deal, he said.

Skadden Settles With the DOJ

In January, Skadden **settled claims by the Department of Justice** over the firm's failure to register lobbying work for the Ukrainian government and agreed to pay more than \$4.6 million in fees from the engagement.

The BigLaw heavyweight should have registered under the Foreign Agents Registration Act in 2012 when it worked to get U.S. media coverage for a report the firm put together for the Ukrainian government, according to the settlement. At the time, the DOJ's FARA registration unit had contacted Skadden about the potential need to register as a foreign agent but was misled by the partner in charge.

That partner was not named in the settlement but was identifiable from details as Gregory Craig, who left the firm in April, was charged with lying to Justice officials to cover up his role, and was acquitted by a jury in September. Paul Manafort had brought Skadden in to write the report for Manafort's client Viktor Yanukovych, the Russia-friendly then-president of Ukraine.

The work has been a focus of special counsel Robert Mueller and led to Manafort pleading guilty to conspiracy and obstruction charges. According to the DOJ, Skadden "cooperated extensively" with Mueller's office and the National Security Division, which handled the settlement with the firm.

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