

ABOUT GENERAL COUNSEL CONSULTING



General Counsel Consulting is a national in-house attorney search and placement firm dedicated exclusively to the placement of attorneys in corporations. We are a division of Juriscape, a multinational corporation that is responsible for getting more than 10,000 attorneys jobs per year. Whether it is our use of media or our internal database of more than 200,000 attorneys who have contacted us while searching for positions, we are confident we can locate the best candidates for your opening(s).

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STATE OF THE MARKET REPORT: WINTER 06-07 Corporate Legal Departments Hiring and Spending at a Record Pace

By Vanessa K. Alvarez, President

Over the past year, we have seen corporate legal departments across the country hire and spend funds on attorney recruiting at a record pace.

A recent survey by Altman Weil and LexisNexis Martindale-Hubbell found an overall increase of 19% in internal hiring, with the number of lawyers per billion in revenue rising from 2.93 lawyers per billion in revenue to 3.49 lawyers per billion in revenue for the 2005 fiscal year. The average internal cost of running a law department also rose by 2.6% to about \$333,000 per lawyer.

The primary factors in this continuing rise in the internal hiring of attorneys have been the overall growth of companies encouraged by a healthy economic market and the increasing billable rates of outside counsel. As a result, companies have been able to grow their legal departments, focusing on mid-level to senior-level counsel with general legal experience and deep organizational knowledge, as well as specializations in patents, securities, and mergers and acquisitions. Despite talk of an economic deceleration, in-house legal departments are planning to hire in the fourth quarter at a pace equal to, or even stronger than, that of the same period in 2005.

As a result of this ongoing talent search, which has resulted in an employee-driven market, in-house attorney salaries and bonuses have continued to climb, with base salaries climbing by 2.2% to 9.5% and bonuses climbing by as much as 71%, according to a new survey conducted by legal consultant Altman Weil, Inc.

Some practice areas tend to be more in demand, and attorneys with specializations in patents, securities, and mergers and acquisitions can command higher overall

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ATTORNEYS SEEKING GREENER PASTURES IN-HOUSE.

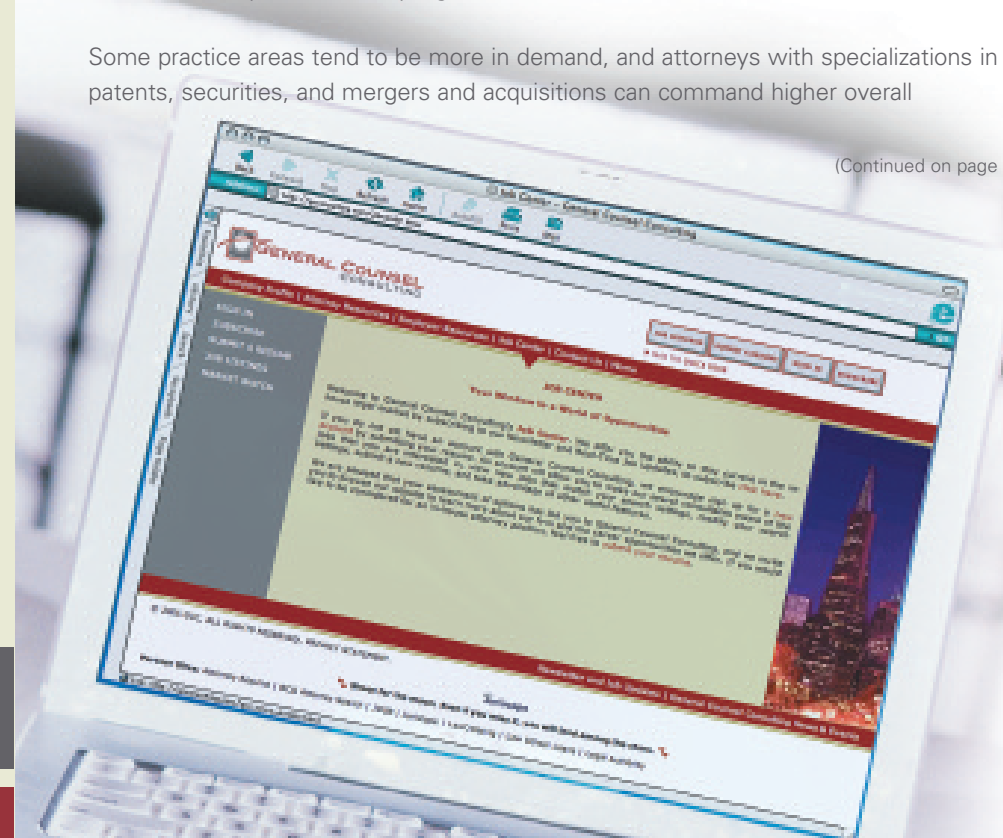
By Vanessa K. Alvarez, President

According to a recent survey by NALP, the attrition rate for experienced attorneys in law firms with about five years of experience jumped dramatically from 60 percent in 2000 to 78 percent in 2005. A 2006 BCG Attorney Search survey concluded that approximately 80% of attorneys were actively seeking in-house opportunities. These trends are likely to continue in 2007 as attorneys express concerns regarding their work/life balance, rising billable requirements, business development demands, repetitive work, and unlikely prospects of making partner. So why are they looking to transition in-house?

The reason most often cited by attorneys looking to transition in-house is an interest in becoming more involved in a company's overall business. There is a real interest by these attorneys to operate closer to the decision-makers and provide influence beyond the legal arena. For the majority of attorneys who come from law firms this represents a major shift from "putting out fires" and providing pure legal advice, to acting as legal counselors articulating the risks and benefits of making certain business decisions. The appeal is an obvious one; attorneys practicing in-house are looked upon as business advisors providing tangible solutions to business matters rather than pure technical experts identifying legal problems.

There is an ongoing debate about whether in-house counsels work fewer hours than their law firm counterparts.

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compensation packages than many of their peers in other practice areas do. Some industries that continued to be profitable during the second half of 2006, including energy, telecommunications, financial services, pharmaceuticals, and healthcare, have also been able to offer more competitive compensation packages to attract top legal talent.

General Counsel Consulting has continued its expansion with the opening of an Atlanta office in September 2006 and an office in Washington, DC, in November 2006. We also increased our placement activity by nearly 40% in the second half of 2006. In addition, we have responded to the demands of corporate legal departments, promoting the hiring and advancement of women and minorities by presenting a more diversified candidate pool.

As always, we stand ready to meet your hiring needs. If you are currently conducting any attorney searches or will be engaged in an attorney search in the near future, we hope you will consider taking advantage of our services again. ■

OUR LIST OF “IN-DEMAND” CANDIDATES

 General Counsel Consulting only represents very highly qualified attorneys to companies across the country. Our candidates are all pre-selected according to your hiring requirements as well as our rigorous selection process. Our candidates all come from top-notch law firms and corporate legal departments around the country and possess superior academic credentials and exceptional professional experience.

The following is a list of “in-demand” candidates we are currently representing:


(See chart on bottom.)

According to a recent Corporate Counsel 2005 Quality of Life Survey, about 59 percent of the attorneys who work in law firms of more than 20 attorneys on average put in more than 50 hours a week, with 28 percent working more than 60 hours a week. That is far higher than the 36 percent of in-house lawyers who work more than 50 hours a week. Fifty hours remains a long work week - except when compared to a law firm where billable hours can stretch even longer and business development is expected in addition to billable time.

Given how career and family balance is increasingly affecting our decision to change course in our careers, it is safe to predict that the number of attorneys transitioning from law firms to in-house legal departments will likely continue to grow in the coming years. ■

Diversity, Ethics, and Succession Planning

By Patricia Lee, Search Consultant

 Change is in the air, not only in the halls of Congress but also within corporate in-house legal departments.

Companies typically have various management reasons and timing guidelines for enhancing or growing their companies' legal departments by adding talented and exceptional lawyers. However, due to changes that have recently taken place in the political, legislative, and global environments, companies would be well advised to consider whether they should feel greater senses of immediacy about hiring general counsel and evaluating their succession plans for the upcoming year.

Over the last couple of months, some of the top reasons that companies have added general counsel to their legal staff have included the promotion of diversity, ethics issues, and vacancies (some due to scandals). Moreover, the new legislative focus coming to Congress may be another reason for companies to consider hiring in-house counsel proficient in understanding new governmental regulations and managing potential litigation.

Diversity

According to the U.S. State Department's website, the election of at least 71 women to the House of Representatives and 16 to the Senate in the 2006 midterm election set a new record for the number of women elected to Congress. Women's growing political power has also been evidenced by the elevation of Nancy Pelosi, Congresswoman from California, to the third most important post in the nation's government. Previously a Minority Leader in the House of Representatives, Congresswoman Pelosi was confirmed by the Democratic Caucus on November 16 as Speaker of the House for the 110th Congress, which will convene in January 2007.

The growing number of women in leadership positions was noted by the Minority Corporate Counsel Association (MCAA) in a 2005 report. MCAA found that there was only one female general counsel among the Fortune 500 companies and that 74 female general counsel worked for companies in the Fortune 501-1000. The number of female general counsel in major companies has increased by 17 since MCAA's survey was conducted, which may well indicate another starting point for change.

On Election Day, H&R Block, Inc., appointed Carol Graebner Executive Vice President and General Counsel. Graebner, who was formerly Executive Vice President and General Counsel of Dynegy, Inc., succeeded General Counsel Nicholas Spaeth and will oversee legal functions, government relations, and advocacy outreach.

Ethics Counsel

In light of the Sarbanes-Oxley Act, companies have found it necessary to address new regulations by hiring in-house counsel who understand and can apply highly technical regulations and laws. Companies must be aware of the ethical implications business actions have for them and for their employees. In October, Hewlett-Packard named former NCR General Counsel and Senior Lawyer Jon Hoak as its Chief Ethics and Compliance Officer. According to The Wall Street Journal, this ethics position had been

vacated after allegations of an internal scandal. Hoak was hired to address the ethical needs of the company.

Vacancies

It is helpful for companies to develop succession plans to address vacancies that may occur in-house. According to CNN.com, more than 150 companies are currently under investigation by the Securities and Exchange Commission or other federal agencies. Vacancies can remain open for months, as was the case at Apple Computer. In mid-November, Apple announced that it had hired Donald J. Rosenberg (formerly of IBM) to fill the vacant seat of its former general counsel. Another company recently released its general counsel in connection with an internal investigation. In these cases, succession plans and reliable sources of exceptional legal talent would have been very valuable tools to rely on when filling the sudden vacancies.

New Legislative Focus

This fall, the election season has brought change to the U.S. Congress, as well as to many states across the country. Top governmental issues to be considered and addressed by Congress include healthcare, the environment, minimum wage, the deployment of troops, and a revisitation of the Sarbanes-Oxley Act, along with its myriad of regulations and guidelines that affect corporations on a daily basis. ■



(Continued from front cover)	CURRENT FIRM	PRACTICE	LEVEL	LAW SCHOOL	GRADUATION	EXPERIENCE	LOCATION
MERGERS AND ACQUISITIONS	Am Law 100 Firm	Corporate	Associate	NYU	2001	Experience in mergers and acquisitions and securities offerings, specialization in private equity	East Coast
INTELLECTUAL PROPERTY	Fortune 100 Company	Patents	Associate	University of California, Berkeley	1999	Experience in development of intellectual property strategy and management of patent portfolios	West Coast
SECURITIES	Am Law 100 Firm	Securities	Associate	Harvard	2000	Experience in SEC 1933 & 1934 Acts, Sarbanes-Oxley, U.S. Federal Acquisition Regulation	Midwest

IF YOU WOULD LIKE MORE INFORMATION ABOUT ANY OF THE CANDIDATES LISTED ABOVE, PLEASE CONTACT US AT 800.549.9445 OR SEND YOUR INQUIRIES VIA EMAIL TO INFO@GCCONSULTING.COM.

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