The 6 Firms GCs Want To Hire For Securities Suits

A group of six law firms are the go-to choice for general counsels looking to navigate the tricky waters surrounding securities and finance litigation because of their comprehensive understanding of the legal aspects of each case, as well as their clients' risk tolerance, according to a recent survey.

The BTI Litigation Outlook 2017 report by BTI Consulting Group (Wellesley, Mass.) named Dentons, Jones Day, Kirkland & Ellis LLP, Latham & Watkins LLP, Skadden, Arps, Slate, Meagher & Flom LLP and Sullivan & Cromwell LLP as securities and finance litigation powerhouses.

"They have a clear command of the facts, of the law, what the agencies are looking for and what the issues can and might be," BTI President Michael B. Rynowecer said. "They also have a very powerful and deep understanding of a client's risk tolerance."

Between February and August, BTI spoke with 336 general counsels and other legal decision makers at organizations with $1 billion or more in revenue. More than 15 industries were represented, including insurance, telecommunications and energy.

Those surveyed identified the six firms as the best choices to turn to for securities and finance litigation work, which legal decision makers believe will remain consistent throughout 2017 as the U.S. Securities and Exchange Commission continues to actively pursue enforcement.

"The SEC has made it clear that they want to continue to ... look for infractions," Rynowecer said.

Jayant Tambe, co-head of Jones Day's financial institutions litigation and regulation practice, said his firm's command over more than just litigation abilities played a crucial role in achieving this kind of ranking.

"It's a very deep and broad bench that covers not just the litigation skills that you need to earn your client's confidence, but it's also the regulatory skills that increasingly affect when litigation is brought, what that litigation looks like and how that litigation is resolved," he said.

Tambe said that regulatory lawyers with personal enforcement experience regularly work alongside litigators at the firm. Those attorneys are not only experienced with SEC issues but also with matters relating to "newer and more active agencies" such as the Consumer Financial Protection Bureau and Commodity Futures Trading Commission, he said.

Kirkland & Ellis partner R. Alexander Pilmer said that transactional partners at the firm frequently work alongside litigation attorneys and vice versa, which speaks to the "depth of [the firm's] bench in this area," Pilmer said.

Meanwhile, Jeff Hammel, global co-chair of Latham & Watkins' securities litigation and professional liability practice, said that the diversity of his practice's offerings appeals to clients. Latham represents auditing firms, financial institutions and companies and their boards of directors, he said.

"Not a lot of firms … have as even a distribution of their practice as we do," Hammel said.

Securities Powerhouses

2017
Dentons
Jones Day
Kirkland & Ellis
Latham & Watkins
Skadden
Sullivan & Cromwell

2016
Jones Day
Kirkland & Ellis
Skadden

2015
Jones Day
Kirkland & Ellis
Skadden

The legal decision makers surveyed also said that the powerhouse firms had a knack for understanding a client's risk tolerance and culture, which is crucial because of the high-profile nature of securities litigation, Rynowecer said.

According to Pilmer, it's all about putting the client's needs first.

"Everything we do, we try to look at it from the client's perspective and help the client solve the problems that they have," Pilmer said.

Hammel said it was a matter of realizing that every client is different. Some will want to take an issue to court — "and we'll do that, and we'll do that to win," he said — and others will want a different outcome.

"We're here to serve our clients," Hammel said.

The survey also noted a spending decrease for securities and finance litigation, down to $1.44 billion from $1.66 billion in 2015. Those surveyed projected a similar figure for 2017 at $1.45 billion.

According to Rynowecer, the prediction that spending will remain the same is attributable to the SEC's activity in recent years, as well as a trend in increased settlements.

"Companies have learned that settling these things earlier has been beneficial to them," Rynowecer said. "The combination of more SEC enforcement but clients willing and wanting to settle sooner, you end up with a net no-change in spending."

REPRINTED WITH PERMISSION FROM THE SEPTEMBER 20, 2016 EDITION OF *LAW360* © 2016 PORTFOLIO MEDIA INC. ALL RIGHTS RESERVED.
FURTHER DUPLICATION WITHOUT PERMISSION IS PROHIBITED.