

CRAVATH, SWAINE & MOORE LLP

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From the Bronx to the top post
at Cravath Swaine & Moore,
Evan Chesler lives the consummate
New York Story.



TRY THIS. KID FROM THE BRONX HAS HIS FIRST JOB SELLING HOT DOGS AT YANKEE STADIUM AND NOW IS PREPARING TO TAKE ON THE MOST PRESTIGIOUS JOB IN THE LEGAL WORLD: PRESIDING PARTNER OF CRAVATH SWAINE & MOORE. EVAN CHESLER'S WORK WILL BE JUDGED BY THE LAWYERS WHO DOLE OUT AND HANDLE THE TOUGHEST DEALS AND BIGGEST LAWSUITS IN AMERICA. AND YOU THOUGHT YANKEES FANS WERE TOUGH.

BY JOHN RYAN

He's a trial lawyer.

That's what Evan Chesler always imagined he would be when he was growing up in the Bronx.

He doesn't know why.

He didn't have any lawyer role models. His father worked in sales; his mother was a librarian. But when he thought about what he wanted to do, he saw himself in a courtroom.

Chesler's clients are the nation's elite businesses — IBM, Time Warner, Bristol-Myers Squibb — but their prestige matters less to him than the process, the rush of a trial.

Like a kid's infatuation with a roller-coaster ride.

"You're terrified when they strap you down and you start going slowly up that first hill," Chesler says. "But when you go over that hill, you have that feeling of exhilaration. You think it's just the most fun you've ever had, and when the ride's over, you feel like you have to run off as quick as you can and go around and get in line again.

"It's that mix of terror and exhilaration."

Chesler, 56, is also a Cravath lawyer.

He "fell in love" with the elite Cravath Swaine & Moore as a summer associate from NYU Law School, where he graduated in 1975. Serving the New York firm is as wired into his DNA as his need to try cases.

It's hard to argue with Chesler's characterization of Cravath as "a great institution." The firm does some of the most important transactional and litigation work for the world's most important companies. The list includes IBM, Time Warner, Dreamworks SKG, Chevron, Johnson & Johnson, JP Morgan Chase Bank, Royal/Dutch Shell, Nestle, American Express, Qualcomm, Lucent Technologies, Alcoa, Pricewaterhouse Coopers, PepsiCo, Salomon, Warner Music, GlaxoSmithKline, Brunswick Corp., Dynegy, Credit Suisse First Boston, Tyco International and Morgan Stanley.

In the legal world, Cravath has peers. But it has managed to retain the reputation of being one of the world's truly premier firms while shunning every trend, from globalization to lateral acquisitions.

It's up to Chesler to keep the firm on top. More than a year ago, Robert Joffe, Cravath's celebrated and self-assured presiding partner, decided he wanted Chesler as his successor. Chesler, the trial lawyer, was unsure.

He became a lawyer to bask in the excitement of redirect examinations and closing arguments, not

to manage a team of 450 lawyers. But in the end, he couldn't say no.

Could anyone?

The job is more exclusive than the U.S. presidency or joining the Supreme Court. He'll be just the 14th presiding partner in the firm's storied history, which dates to 1819 [See sidebar]. That's something Chesler could only dream about during his first job, at age 14, selling hot dogs at Yankee Stadium.

Over several months last year, Joffe walked the informal path of Cravath kingmaker, meeting individually with the firm's partners and getting their feedback on his choice. They were excited. At a November meeting, the partners voted by show of hand for Chesler; there were no dissenters. He takes over in January 2007.

His hurdle will be high. By tradition, the Cravath presiding partner maintains a full practice. Those before Joffe all hailed from the corporate side of the house. Joffe, known for a commanding presence that exudes confidence and earns the respect of competitors, was the first litigator in the post. But his work is more in the antitrust counseling arena, where, for example, he won the approval of federal regulators for Time Warner's merger with AOL in 2000.

Chesler has chosen to continue an active trial practice. Already he knows several of his cases could reach trial in the next year or so. He represents GlaxoSmithKline as a plaintiff in two separate patent-infringement cases, one in New York and one in Delaware, over its migraine drug Imitrex. He also is defending Morgan Stanley in a securities case in St. Louis.

Unlike Joffe, Chesler isn't the first guy you notice in a room, and perhaps not the second. He's thoughtful and friendly, but, like any successful litigator, he can be tenacious, obsessive and eager to slug it out. While Joffe has remained extremely well liked, Chesler admits he may be more willing to "nudge" his partners in a particular direction.

Though he didn't jump at the job when Joffe broached it, Chesler will not be a reluctant leader.

"By some people's accounts, and certainly by my own, it's the best law firm in the United States," Chesler says. "For somebody like me, coming from a working-class family in the Bronx, who had to put himself through school, to get to sit at the head of the Cravath table is sort of unbelievable."

Chesler speaks from the study of his home in Scarsdale, N.Y., where he lives with his wife, Barbara. His three children, two of them from a previous marriage, are grown and out of the house.

**Evan Chesler of New York's
Cravath Swaine & Moore**



By Hugh Williams

It is quiet, except for the crackle of the fire Chesler occasionally stokes. Outside, it's late February, one of the coldest days to hit New York all year, and a snow flurry passes.

He is relaxed on this Saturday morning. A nearby computer beeps now and then, but Chesler ignores it. An artist rendering of him from the Detroit Free Press hangs on the wall, showing him in action for IBM in its dispute with Compuware.

Chesler ascended at Cravath along a steady, logical path. He started where most of the firm's partners did — as a summer associate. And his earliest matters were for IBM, a client that for years was predominant in the firm's landscape. He defended IBM against the historical antitrust action brought by the U.S. Department of Justice. The dispute lasted 13 years, from 1969 to 1982, and produced about 20 private civil cases.

After Chesler officially joined the firm in 1976, he spent many of his days defending IBM alongside legendary Cravath litigator Tom Barr, who became his mentor and friend.

Chesler was the senior associate on the IBM antitrust litigation by 1982, when the Cravath team convinced the Justice Department to drop its case. Chesler became a partner later that year.

By the mid-'80s, Barr had bestowed on Chesler primary client responsibility for IBM. And, in 1996, at the age of 47, Chesler became the head of the firm's litigation department.

He's not immune to failure. In 1998, a jury in Gwinnett County, Georgia, handed him his first and only jury defeat: a \$450 million shellacking against Time Warner. After a six-week trial, Time Warner was found liable for breaching its fiduciary duty to the amusement-park company Six Flags Over Georgia Inc. by shortchanging the park on investments. It was a bad loss: The verdict was by far the largest in Georgia state history.

James Butler, the Georgia lawyer at Butler Wooten & Fryhofer who tried the case for the plaintiffs, did not return a call seeking comment.

"Until it happens, it's sort of an intellectual concept," Chesler says of losing.

Chesler got back on his feet for Alcoa Inc., which called on him to protect its patent for an alloy used in the fuselage of airplanes. French aluminum manufacturer Pechiney had sued to invalidate the patent. A federal jury in Wilmington, Del., sided with Alcoa in 2001 following a three-week trial.

Chesler has handled hundreds of cases in his career and tried about 20 cases to verdict. He represented AOL Time Warner in its antitrust suit against Microsoft, alleging that Microsoft's business practices had unfairly crushed AOL's Netscape

Internet browser. Netscape got \$750 million in the highly publicized 2003 settlement.

Last year, he spent six weeks in Detroit federal court defending IBM against claims brought by Compuware. The software company accused IBM of using its source code in IBM products and illegally thwarting competition in the software development market. The case settled before the end of the trial with IBM agreeing to spend \$400 million on Compuware licenses and services over four years. Both sides claimed the deal was a favorable business agreement.

Chesler is a proud product of "The Cravath System," a generalist bred of a machine that brings associates into one of four departments — corporate and tax, litigation, environmental or trusts and estates — then rotates the associates between various partners. Young lawyers soak up the firm's obsessive demand for excellence and hours while getting a breadth of experience from working with partners who have different specialties.

Only associates who go through the system are realistically eligible for the partnership. The firm has hired just two lateral partners in 62 years; both tax partners, both times filling unexpected departures of experienced partners.

The last one was recent. Andrew Needham came over in 2005 from Willkie Farr & Gallagher to replace Lewis Steinberg, who left to become an investment banker at UBS.

This will not be a trend, Chesler says.

Cravath's system strives to breed partners who can serve as broadly skilled counselors to clients and assist them with a variety of legal problems.

"We know almost nothing about almost everything," Chesler jokes.

He cites 1992, when he and Barr tag-teamed for a couple of odd but successful ventures. One was Ross Perot. Barr co-chaired the independent candidate's national advisory committee for president while Chesler mastered New York's election laws to make sure Perot got on the state ballot. Though he likes Perot, Chesler is a Democrat, and in his turbulent NYU days protested the Vietnam War. Just six years before he began going to court for the Establishment, give or take, Chesler was camping out with hundreds of thousands of fellow student protestors on the Mall in Washington, D.C., angry at Nixon's invasion of Cambodia.

The other oddity from 1992 was Chesler's sole criminal trial, on behalf of Lee Harvey Oswald. Barr and Chesler defended Oswald in an American Bar Association-sponsored mock trial. Chesler handled the forensic witnesses and closing arguments for the defense, which also included

ELITE COMPANY

Evan Chesler will join an exclusive group when he becomes the presiding partner of Cravath Swaine & Moore at the start of 2007. Only 14 partners before him



have held the position, starting with Richard Blatchford, who in 1819 laid down the firm's earliest roots in New York. The firm derives its present name from the three presiding partners who led the firm from 1906 to 1957: Paul Cravath, Robert Swaine and Hoyt Moore. The firm was renamed Cravath Swaine & Moore in 1944.

Under today's firm rules, the presiding partner must step down at the age of 63. Chesler, who is 56, will replace Robert Joffe (pictured), the present leader.

<i>Robert D. Joffe</i>	<i>1999–current</i>
<i>Samuel C. Butler</i>	<i>1980–1998</i>
<i>Royall Victor Jr.</i>	<i>1977–1980</i>
<i>Roswell L. Gilpatric</i>	<i>1967–1977</i>
<i>Maurice T. Moore</i>	<i>1963–1966</i>
<i>Carl W. Painter</i>	<i>1958–1962</i>
<i>Hoyt A. Moore</i>	<i>1949–1957</i>
<i>Robert T. Swaine</i>	<i>1940–1949</i>
<i>Paul D. Cravath</i>	<i>1906–1940</i>
<i>William D. Guthrie</i>	<i>1901–1906</i>
<i>Clarence A. Seward</i>	<i>1867–1901</i>
<i>Samuel A. Blatchford</i>	<i>1854–1867</i>
<i>Richard M. Blatchford</i>	<i>1819–1854</i>

Source and photo: Cravath Swaine & Moore

David Boies, a longtime Cravath star who departed in 1997. (Boies did not answer requests for comment for this story.) They faced off against an impressive Bay Area trio of prosecutors: Joe Cotchett, John Keker and James Brosnahan.

The Cravath team hung the jury against convicting Oswald in the murder of President John F. Kennedy.

Chesler became convinced that Oswald was part of a larger conspiracy. He is happy to talk about the case's forensic evidence for as long as you're willing to listen.

"I think the evidence is overwhelming that he did not act alone," he says. "I don't think he fired the fatal shot. The fatal shot came from the front, from the [grassy] knoll area."

Don't tell that to Keker, the head of Keker & Van Nest in San Francisco. Responding to questions about the case by e-mail, Keker conceded that Oswald might have been part of a larger conspiracy.

"But that day he did all the shooting, and acted alone," Keker says. "Evan and his side did a terrific job to get [some jurors] to have a reasonable doubt that Oswald did the shooting, but the smart ones voted to convict."

Chesler contends it would have been too difficult for Oswald to fire the fatal shot from his distant perch in the book depository. He also terms untenable the government's magic bullet theory — which has a single bullet inflicting multiple wounds on JFK and Texas Gov. John Connolly. Then there's the Zapruder film of the assassination, which shows Kennedy's head moving back and to the left, suggesting a fatal shot from the front.

"The physics are just wrong," Chesler says.

Keker says his side proved to most of the jurors "that the single bullet theory worked, and that the shots were fairly easy ones."

Despite the difference of opinion, Keker says he's always liked and admired Chesler. He got to know him in the early 1980s when Chesler was working with Barr on an IBM trade secrets case against one of Keker's clients, an employee of Hitachi.

"I am not at all surprised that his partners want him to run that great firm," Keker says.

That sentiment is echoed by Joffe, who said his selection of Chesler was a no-brainer. "People were uniformly enthusiastic about it," he says. "If I hadn't expressed my views that he's the right person, his name still would have been the name overwhelmingly on everybody's lips."

The current head of the corporate department, Kris Heinzelman, says his group takes no umbrage at another litigator at the top. Cravath's litigation department grew significantly with the IBM antitrust cases of the 1970s and has never looked back. Now, the firm's practice is about 50 percent litigation. The firm requires partners to retire at age 65, and presiding partners have to step down from their leadership role two years before that.

In his generation, Chesler was the obvious choice. "There really wasn't even a good second candidate," Heinzelman says.

Chesler's sights had always been set on getting his bachelor's degree in political science and then heading on to law school. But, impressed by two of his history professors, one who taught African studies and another who taught Russian studies, Chesler changed his mind during his senior year at NYU and embarked on an academic career.

He enrolled in a Russian studies masters program at Hunter College in preparation for getting his doctorate at Columbia. While at Hunter, he taught social studies and English at a Bronx middle school. Although he enjoyed teaching, he applied

to law school after finishing his first of two years at Hunter.

“I just had this dream about standing up in a courtroom and being a trial lawyer,” he says.

He was accepted at NYU, but needed \$1,300 to pay his first semester’s tuition. Though he took a job as a corporate headhunter, a car accident put him on crutches and he lost the job. Luckily, a contact at a publisher’s office, with whom Chesler had previously taught Sunday school in Chappaqua, contacted Chesler and asked him if he might write a book on the Jews in Russia for a series of books called “The Jewish Concepts and Issues Series.”

“I said, ‘Well, I’ll do it, but I need an advance,’” Chesler says. “I said I needed \$1,500.”

The publisher’s representative agreed and Chesler hobbled to the Jewish studies room of the New York Public Library, where he wrote “The Russian Jewry Reader” over three weeks.

“I got a royalty from it and ended up making a few thousand dollars, which seemed like a remarkable thing to me,” Chesler says. “That got me through my first year of law school.”

At the end of his first year, Chesler made the law review and went to work under faculty advisor Dan Collins, a former Cravath associate. Collins urged Chesler to ask for an interview at Cravath. At that point, Chesler didn’t know one firm from another.

He was called in and hired on the spot for the summer after his second year.

“My job search in the legal profession was over,” Chesler says.

Other than his first-year summer as a public defender in Westchester County and a year’s clerkship for U.S. District Judge Inzer B. Wyatt, Cravath is the only legal job he’s held.

It’s not always easy to explain “love at first sight,” which is how Chesler describes his relationship with Cravath, or what makes a young lawyer succeed at an exceedingly competitive firm and stay for the duration. Mentors help, and Chesler was lucky to have Barr. But he believes that that the associates who make it to the Cravath partnership bring “intangible” qualities; they wake up in the middle of the night with an idea related to a case or deal, think about it for a while, then write it down before hitting the sack again.

Being a Cravath lawyer isn’t what you do, he says. It’s who you are.

He doesn’t use the word “collegiality,” because Cravath partners can have giant egos and “be pretty blunt with each other.”

He prefers “teamwork” — lawyers who enjoy playing distinct parts in a larger effort; they welcome redundancy and colleagues looking over their shoulders in the name of obsessive quality control. In Chesler’s mind, the firm is distinguished by that contradiction: talented, confident and egocentric lawyers who prefer a team-centric environment to a star system.

The firm adheres to a true lockstep compensation system for its 88 partners, based solely on seniority. Big rainmakers don’t get more money. But they get along fine financially, given that Cravath tends to rank very high in the money charts for things like profits per partner. Partners just prefer worrying about other matters, like their clients.

“It takes off the table the one issue law firms spend more time fighting about than any other,” Chesler says.

In lieu of a management committee, Cravath has partners who take on managerial tasks in addition to their practices, such as the department chairs and the partners responsible for firm finances, administration and hiring. Partners get together for Monday lunches and meet formally twice a year.

The firm has a deputy presiding partner during transitional leadership years; Chesler occupies the role now. But they’ve also been used in non-transitional times; Joffe’s predecessor, Samuel Butler, did during parts of his 18-year term.

Chesler may do the same if he feels too swamped.

That the firm doesn’t like to waste time on management probably makes the presiding partner’s job, on average, less demanding than counterpart positions at bigger partnerships, where the leaders act like CEOs. But the Cravath way brings its own set of challenges.

“You don’t get to make all the decisions by yourself,” Joffe explains. “You have to create a consensus for every decision, one on one. In the end, it’s a great strength of the firm, but it takes a lot of energy.”

Chesler hopes that the firm’s management infrastructure, to the extent there is one, will come through when he’s in trial. Resolving internal firm issues in the Chesler regime might require more late-night or early-morning conference calls and straightforward delegation of tasks and responsibilities to other partners.

“I think it’ll be difficult, but it’s definitely possible,” Heintzelman says of Chesler keeping his trial practice. “He’ll need people here to support his efforts as presiding partner.”

Chesler’s election did not go unnoticed by clients. Linda Willett, vice president and deputy general counsel at Bristol-Myers Squibb, has talked with him about whether he can still be a full-time litigator. Chesler has told her what he thinks.

“The proof will be in the pudding,” Willett says.

Willett has worked with Chesler for 10 years and “has gained a great deal of trust in his ability to do what he thinks he can do.”

“I’ve seen in operation his ability to work on multiple large issues for multiple clients,” she says.

Willett says that Chesler and the firm’s track record has been to get the best possible outcome for the client and to do so efficiently.

“Evan leverages the use of associates and junior partners probably better than any partner I’ve ever seen at a law firm,” she says.

He displayed his juggling talents between 2001 and 2002, defending Bristol-Myers against a series of antitrust suits over its anti-anxiety drug BuSpar while handling the Alcoa patent case and gearing up for Netscape’s action against Microsoft — all while chairing the 150-lawyer litigation department.

Chesler concedes that he may have to be even more efficient come January.

Still, the drama shouldn’t be overstated. Cravath is in fine shape. The firm’s core principles, like the lockstep compensation system and the prohibition on laterals, don’t change. The steadiness of the firm’s success and cultural identity make Chesler’s task eminently doable.

To an outsider, what’s most striking about Cravath is how it doesn’t seem to give a damn about the most talked about law firm trends of the past decade. Globalization, international “platforms,” three-way mega-mergers, luring away partners with big books of business — that’s not Cravath.

Cravath practices U.S. law out of one main office and one 17-attorney outpost in London. (The firm opened a Hong Kong office in 1994 but closed it nine years later.) That’s it, and that’s all you’re likely to see anytime soon — perhaps ever. Because Cravath only promotes from within, international expansion or practicing anything but U.S. law is virtually impossible. Opening up new offices would dilute the New York ranks, which can’t happen because the office is appropriately staffed for the work it has. The only other way to grow is through acquisitions. And Cravath’s not going to do that.

In reality, the partners care very much what competitors are doing. They’ve just chosen a different model, believing that having lots of offices around the world is overrated. The firm doesn’t lose work because it’s not in Prague or Shanghai or because it doesn’t practice German or French law. If a client needs a lawyer somewhere, Cravath finds one.

“It’s important to the client to have the best lawyer in Prague, which is not necessarily the best lawyer

you happen to have under your roof in Prague,” Chesler says.

The firm’s long history of working on major international transactions enabled it to develop good lawyer contacts in cities around the world. When its competitors began expanding, Cravath made these relationships more formal. The firm developed a committee, staffed by rotating partners, that deals with maintaining and improving these relationships, so that Cravath partners and the lawyers in other countries keep each other up to speed on matters that interest mutual clients. The system works well; Cravath and the foreign firms refer work back and forth, without fear that either side wants to poach the client for good.

Far from seeming outdated, the model makes even more sense now that technology has made working remotely much easier, says litigation partner David Marriott.

“We’d be fools not to be thinking about these issues,” Marriott says. “But the fact is that we are in these markets, just not physically.”

Marriott, who joined the partnership in 2003, says that the firm’s model and core principles are embedded in the younger generation of partners.

“I’m probably as committed to them as someone who’s been a partner for much longer,” Marriott says.

Chesler’s role as presiding partner is subtler: tinkering with what works, trying to make it better. He says he will constantly assess how Cravath is keeping pace with a changing environment. But if he has any real specific plans at this stage, more than a half year before taking over, he’s not sharing.

“My principal goal is to have the firm in the best possible position it can be in for the future,” he says. “I have to make sure that we are adapted to our environment, that we are not dinosaurs.”

Some changes could be important, such as shifting the balance of the firm’s practices. The firm has not done products-liability work, for example, which clients have requested. On the corporate side, Cravath hasn’t taken part in the boom in bankruptcy work. These are issues the firm will look at.

Many firms have made boatloads of money in these areas. But Chesler says the firm doesn’t feel like it missed out due to the fact that the firm’s lawyers have been plenty busy working on other matters. It’s a decision of where to put the firm’s resources.

“But you want to provide the ranges of services that your clients need and want, that’s the principle,” Chesler says. “We’re always looking at those questions.”

Overall, he's not worried. Chesler expects to preside over the firm, try cases and still have time for some of his favorite hobbies. A lifelong Yankees fan, he finally got season tickets this year. Chesler agrees with boss George Steinbrenner that this is the team's year to take it all, a feat they haven't accomplished since 2000.

Chesler also loves to spend time at the beach home in Montauk, where he does a lot of reading and writing. Chesler has written a novel, which is sitting in a New York publisher's office right now. It involves a friendship between a sitting U.S. president and the judge who's presiding over a case arising from a recent hijacking.

He avidly reads history and recently reread Boris Pasternak's classic novel "Dr. Zhivago" because of his continued interest in Russian Studies.

He gives high marks to Doris Kearns Goodwin's prize-winning "Team of Rivals: The Political Genius of Abraham Lincoln." The book details Lincoln's relationships to the men who joined his Cabinet after opposing him for the Republican nomination in 1860. One of them, William Seward, was a Cravath partner who became Secretary of State. (Paul Cravath's name wasn't added to the firm moniker until 1901.)

Seward is an impressive part of the firm's lore. He was Governor of New York from 1839 to 1843 and served as a U.S. Senator from the state from 1849 to 1861. As Secretary of State, he negotiated the purchase of Alaska from Russia. He survived an assassination attempt the same night Lincoln was killed.

But his legacy could have been so much more. He was considered the front-runner for the Republican presidential nomination when he went to Europe for much of 1859. On the night of the nominating convention in Chicago, he remained home in Auburn, New York, awaiting the news that never came.

How un-Cravath, Chesler suggests: overconfident and unprepared.

Not at all like the type of lawyer who locked himself in a San Francisco hotel room for a weekend to prepare for the mock trial of a 30-year-old crime. Or who double-checks the spelling on any envelope addressed to a judge, right before it goes out in the mail. Or whose first question after a courtroom victory is, "What could we have done better?"

"I find it interesting that a Cravath partner would get beat that way," he says. ■