

Cadwalader, Wickersham & Taft LLP

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LOCATIONS

New York, NY (HQ)
Charlotte, NC • Washington, DC •
Beijing • London

MAJOR DEPARTMENTS & PRACTICES

Antitrust • Business Fraud • Capital Markets • Corporate/Mergers & Acquisitions • Financial Restructuring • Funds, Regulation, Enforcement & Equity Derivatives • Global Finance • Health Care/Not-for-Profit • Insurance & Reinsurance • Litigation • Private Client • Real Estate • Tax

THE STATS

No. of attorneys: 635
No. of offices: 5
Summer associate offers: 87 out of 87 (2006)
Chairman & Managing Partner: Robert O. Link Jr.
Hiring Partners:
New York, NY: Paul W. Mourning
Charlotte, NC: Henry A. LaBrun
Washington, DC: Michael E. Horowitz

2007-2008 Vault Rankings

Best in Region
#19 - New York

Best in Practice
#5 - Real Estate
#7 - Bankruptcy/Creditors' Rights

Partner Prestige Rankings
#4 - Bankruptcy/Creditors' Rights
#25 - Overall Prestige

Quality of Life
#6 - Pay

The following is independent Vault research

THE SCOOP

Cadwalader is emerging from its once second-tier status to become one of the nation's most profitable law firms: in 2006, the firm recorded per-partner profits of over \$2.5 million, just behind outfits like Wachtell and Cravath. That healthy figure is attributable to more than the firm's top-class real estate, bankruptcy, corporate, litigation and tax divisions, as well as a capital markets practice recognized as one of the world's strongest. Analysts attribute the firm's sharp rise in profitability to Chairman Robert Link.

All the president's men

Established over 200 years ago, Cadwalader, Wickersham & Taft LLP is the oldest Wall Street firm still in existence. At the time of the firm's founding, folks were still sealing letters with wax and writing with feathers, but we just might have Cadwalader to thank for all the bells and whistles that constitute a modern law firm. In the late 19th century, the firm introduced such new-fangled technology as typewriters and telephones to its offices. Cadwalader was similarly revolutionary in its approach to training and staffing. To replace the old system of unpaid law clerkships, the firm established the role of the associate. As for letting women venture beyond the stenographer's desk, the outbreak of World War II saw Cadwalader add a handful of female attorneys, including the first female partner of a Wall Street firm in 1942.

A yuan by any other name would smell as sweet

Engaging in a variety of securitization and structured finance transactions, Cadwalader's capital markets practice is perhaps its best known. In recognition of the firm's excellence in this area, in 2007 alone, Cadwalader's team was named Law Firm of the Year by *Institutional Investor's* Total Securitization, Securitization and Structured Finance Team of the Year by *IFLR Americas*, and Structured Products Team of the Year by *IFLR Europe*. The firm has extensive experience in complex international securitizations and cross-border structures in Europe, Asia and Latin America, and is frequently called upon by investment banks and financial institutions in need of new products and structures. In September 2006 lead arranger Lehman Brothers recommended Cadwalader to handle all legal aspects of a transaction involving Hua An Fund Management, one of China's largest asset management companies. Hua An is the first fund to be granted Qualified Domestic

Institutional Investor (QDII) status by the Chinese government; QDII status enables domestic funds to convert renminbi yuan to other denominations, to be invested overseas. The implementation of the QDII plan is widely regarded as a key market reform for China, and the revolutionary Hua An transaction will be one of the first instances of Chinese integration into foreign markets. In addition, Cadwalader was involved in many other high-profile deals, including the whole-business securitization of Dunkin' Donuts, the financing of landmark New York City housing developments Stuyvesant Town and Peter Cooper Village for future securitization, the ongoing securitization program with RBS Greenwich Capital and Goldman Sachs, and the first-ever commercial real estate CDO for the European market.

Pfizer's advisor

Cadwalader's M&A group stepped in to counsel pharma giant Pfizer in June 2006 during the \$16.6 billion sale of its consumer health care division to Johnson & Johnson. With a portfolio of well-known global brands like Listerine, Nicorette, Sudafed, Benadryl and Neosporin, Pfizer Consumer Healthcare had \$3.9 billion in revenue in 2005. The sale engendered high levels of interest: among the competitor bids that Pfizer was sifting through were offers from GlaxoSmithKline, Colgate-Palmolive and Reckit Benkiser. Lazard and Bear Stearns acted as financial advisors to Pfizer on the transaction. Cadwalader also represented Pfizer in most of its recent acquisitions and divestitures, including the drug company's 2003 \$60 billion acquisition of Pharmacia, maker of the popular arthritis drug Celebrex.

Come fly with me

Cadwalader is lead counsel for Northwest Airlines in its Chapter 11 proceedings, helping Northwest accomplish in six months what took United Airlines two years, according to a March 2006 New York Times report. Northwest achieved the major goals of its restructuring by reducing \$2.4 billion in annual costs from its business, including labor savings and aircraft fleet costs. To ensure that Northwest had an efficient and effective fleet, Cadwalader helped to reaffirm purchase agreements with Airbus, Boeing, GE Aircraft Engines, and Pratt and Whitney, which allowed the continued modernization of its long-range fleet with A330 and 787 aircraft. Northwest now has one of the youngest transatlantic fleets in the industry.

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Cadwalader also helped to negotiate additional purchase agreements with Bombardier and Embraer for new dual-class regional jetliners. With Cadwalader's assistance, Northwest completed an unprecedented \$1.225 billion debtor-in-possession financing, which, subject to certain conditions, converts to a five-year revolving credit facility upon emergence from Chapter 11. Cadwalader has also been successful in other activities including the resolution of disputes with the Pension Benefit Guaranty Corporation and pension reform legislation. Throughout this process, Cadwalader has helped with the defense and prosecution of various litigations.

Oil slick

In a leading case regarding overseas bribery laws, Cadwalader represented Vetco International Limited, an oil field services company, in connection with a settlement with the Criminal Division, Fraud Section of the U.S. Department of Justice. The matter related to Vetco's voluntary disclosure that certain of its foreign and U.S. subsidiaries had authorized a third party to make corrupt payments to Nigerian customs officials. A settlement resulted in the payment of criminal fines totaling \$26 million by three subsidiaries. The settlement facilitated the impending sale of the Vetco Gray entities to General Electric for \$1.9 billion.

Knavery and thievery

Cadwalader's "superstar" system and emphasis on mega-earners, as well as stringent pro capita revenue expectations, has led to some comings and goings. Critics claim that such emphasis on rainmakers is risky and that a practice can be left vulnerable if a superstar goes. In January 2007, Skadden walked away with the D.C. office's head of antitrust, Steven Sunshine, as well as two partners. However, the firm acted quickly to bring in noted antitrust practitioner and former assistant attorney general in charge of the antitrust division, Rick Rule. In February 2006, the firm lost its sole London projects partner, who left to set up his own consultancy, a departure that signaled the end of Cadwalader's London project practice. In June 2006, Orrick stole two structured finance partners from the firm, including James Croke, who had been head of Cadwalader's structured finance department in London from 1999 to 2004. Undaunted, in July 2006 Cadwalader fattened its capital markets and securities practice by nicking a CDO specialist from A&O as well as a Norton Rose partner. Former Davis Polk partner, Steven Lofchie, a leader in

broker-dealer regulatory affairs, joined the firm in October 2006, while Deryck Palmer, John Rapisardi, George Davis and Andrew Troop joined Cadwalader as partners in the financial restructuring department in March 2007. Formerly partners at Weil Gotshal, the four brought significant restructuring experience with them, as well as a team of lawyers.

Go forth and advertise

Law firms have avoided using television as an advertising outlet, considering it the domain of the personal injury attorney, but legal marketing experts suggest that the stigma is fading, and that more firms will turn to the medium as the fastest way to build and strengthen their brand. In the vanguard is Cadwalader: in December 2006 the firm ran 60-second TV ads on cable channel MSNBC. According to *The Wall Street Journal's* law blog, the firm was approached by an organization that offered to handle the ad's production and placement, and though Cadwalader's marketing director, Claudia Freeman, acknowledges that the firm had not previously considered this route, "The cost was very reasonable." The clip ran for a week, but is not slated to run again.

C'mon-a my house

In July 2006, Cadwalader attorneys were instrumental in striking down a 201-year-old North Carolina statute that made it illegal for unmarried couples to cohabitate. On a pro bono basis, the firm stepped in to handle the case of an unmarried woman who lost her job as a 911 operator for the Pender County Sheriff's Department because she was living with her boyfriend. In 2004, shortly after starting the job, the woman was informed that she would have to marry her partner, move out or lose her job. In deeming that the law violated civil rights and privacy laws, a North Carolina Superior Court judge cited *Lawrence v. Texas*, a 2003 Supreme Court decision that struck down a Texas sodomy law.

GETTING HIRED

Help wanted

Cadwalader has plenty of work, so it needs plenty of people who want to work hard. "They always need fresh meat for the grill," states a senior associate. "The firm really wants doers," agrees another insider. "Spoiled kids who feel entitled to a great salary, but are unwilling to do commensurate work that it

requires won't be a match." What the firm doesn't care about—at least not as much as many firms—is where you went to school. "Unlike many top firms that only care about what school you went to and your GPA, Cadwalader gives a lot of credit to people who have had real work experience and who have a demonstrated interest in the area of law they seek to work in," observes a contact. "Grades are still important, but the firm does a great job at looking at the full package." A colleague elaborates, "What I love about CWT is that they are willing to look at good candidates from schools that are not in the Ivies or the top-15 law schools. I would rather be working with a top student at Rutgers or St. John's that has a strong finance background than someone who finished in the bottom of their class at U Penn or Columbia. Our practice looks more at things like undergraduate background and previous work experience to determine whether candidates have a strong finance background as opposed to focusing on rank of law school. This is probably why all the first-years get along. We don't have too many of the egos that other firms struggle with."

The firm has a typical recruiting process, and after an on-campus interview "applicants who are invited to our offices for call-back interviews participate in a hospitality suite with junior associates as well as four interviews with associates and partners in their indicated areas of interest. Applicants who are extended an offer to participate in our summer program are invited to participate in additional, informal meetings with associates to answer any additional questions they may have about the firm."

OUR SURVEY SAYS

Like a challenge? You'll love Cadwalader

"The work was challenging from the first day I started," says one young lawyer. "You have a chance to see deals from start to finish which is very fulfilling. Even as a first-year, I interact with clients at the highest levels of investment banks on a daily basis." "Cases and clients are very high profile, but sometimes they are so large that is difficult to get meaningful experiences," notes a senior associate. "The firm is very encouraging of pro bono work and associates are usually lead counsel on their pro bono matters." All that "challenge" can be, well, a challenge. "The work is challenging and interesting, but also overwhelming in volume," reports a Charlotte associate. "As a result, there is

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little training and frequent turnover, which results in additional stress for the remaining associates. Partners in the office have indicated that they intend to redress this beyond salary increases.” At least the partners are feeling the pinch, too. “Attorneys here work hard, and that includes the partners,” says a lawyer. “I have had a great experience so far,” reports a contact. “I have found the work challenging and the partners are very accessible to work through any issues that may come up or answer any questions I may have.”

The firm tries to ease its new attorneys into the mix. “Cadwalader is making a genuine, concerted effort to ease first-years into the junior associate routine,” says an insider. After that, you’re on your own. “It’s a pretty gruff place to work,” reports a midlevel. “There are great resources and there’s a lot of work to be done, so it’s possible to grow your skills. However, you’re pretty much left to do it on your own. There isn’t a lot of friendly interaction between partners, which trickles down to the associate interaction.”

The mixed cultural bag

Associates at Cadwalader describe a hard-driving culture. “Working hard to serve clients’ needs is the priority here, which should be the ultimate goal of any law firm,” says a source. “An attorney is not fooled into thinking otherwise at Cadwalader.” Others gripe about partners run amok. “The firm made a value judgment when it hired some of its major partners—profits over culture,” grumbles a lawyer. “For example, one of the firm’s most dominant partners is known for yelling [at] associates. However, he’s a big profit generator, so he’s untouchable.” Though the firm has in the past been compared unfavorably to a “shark tank,” a real estate lawyer says, “I find nothing unusual about the culture and that lawyers and support staff are quite cordial.”

Since 2005, New York attorneys work in a high-tech new office space that includes a conference center with 55 meeting rooms and state-of-the-art audio and video capabilities, as well as “incredible views” of the harbor and the Statue of Liberty. Despite the luxury, some feel the firm’s new digs in New York hurt the culture. “The new building is very isolating and you can go months without seeing other lawyers in your department, even ones you work with,” notes an associate.

Cadwalader is trying to combat the isolation. “The monthly mixers are a great idea, to bring together lawyers of all levels, and staff as well,” says an attorney. The mixers are based around a different theme each month and are complemented by other programs offered by the firm to help foster a collegial culture. These include monthly dinners for attorneys working late, a mentor program with a generous budget, departmental get-togethers and team gatherings, and intramural sports teams. “The firm is somewhat [of] a meritocracy,” states one insider. “Because there’s so much work to do, it’s just a matter of who can do it. There isn’t a lot of attention paid to class year, pedigree or seniority here.”

No foot dragging

Cadwalader is a pay leader, say its associates. The firm “follows the New York market, and does not drag its feet. When the last raise was set by Simpson Thacher, Cadwalader matched the next day.” The firm is “always at market,” agrees one source. “Last year, just about everyone received full bonuses, even if they did not meet [the] firm’s billable hour requirement.” Indeed, coming close to the requirements seems to be enough to get you a bonus. “Bonuses are given out to every associate that bills 1,900 hours and to all associates who have positive reviews but fail to reach the 1,900,” reports a lawyer. “I know of at least five associates in the real estate group who billed less than 1,850 hours and still got full bonuses.” Still, there are some complaints. “Given partner profits, however, salaries at upper levels should be higher,” gripes a senior associate. “They pay market, so I can’t complain. However, I can complain about the fact that they think that paying market absolves them of all other responsibility when it comes to associate satisfaction,” fumes another insider. In the end, there’s plenty of cash being thrown around. “The firm is obscenely profitable, and they take pains to make sure the associates get top-of-the-market pay/bonus,” says a source.

Wall Street hours

Know what you’re getting into. “A Wall Street practice will inevitably keep Wall Street hours,” says a source. “While all-night work sessions come with the territory, learning to take advantage of and appreciate the down time between deals is critical to maintaining sanity.” The day doesn’t always end when you leave the office. “The hours are long, but the partners in

my office do not have strict face time requirements, and are very understanding about associates’ lives outside the office,” notes a contact. “That being said, the expectation is that the work will get done, so working from home is a must.” Cadwalader “has [an] excellent remote computer access system which gives attorneys full access to their computer desktop, allowing work to be done at home and not in the office,” according to a junior associate. A supervisor can really shape an associate’s quality of life: “Some allow you to catch your breath and others do not,” according to one M&A attorney.

Getting more bang for your training buck

“Cadwalader provides regular professional training sessions for entry-level associates and I find them very useful,” reports a corporate lawyer. “These programs allow associates to stay current on the latest practices, policies and developments in their areas as well as to fulfill their New York CLE requirements.” Associates want more than just CLE credits, though. “The firm has made improvements to make the training more than just what is needed to keep us in compliance with the CLE requirements,” says a lawyer. It works for some departments. “In addition to the initial week of training provided by the firm when first-year associates arrive, my department holds a monthly class which reviews different sections of the Bankruptcy Code and the latest developments in bankruptcy law,” notes a lawyer from that department. Complaints tend to concern the training for brand-new associates: “The ‘Cadwalader Academy’ is too general an overview to have substantive value to new associates,” complains a source. “There are no sessions which guide an associate through the types of tasks that he/she is expected to complete in their first few months and no helpful practice tips in terms of dealing with our day-to-day tasks.” According to the firm, “Every new associate is assigned a mentor to help them acclimate to the firm, and for their first six months at the firm, first-year associates attend monthly training luncheons on topics such as bar admission requirements, marketing and time management. The bi-annual Path to Partnership program provides mid-to senior-level associates with professional development advice as well as strategies for achieving career goals. All associates benefit from training programs specific to their department as well as firmwide ethics programs.”