THE LAW & ROLE OF IN-HOUSE COUNSEL

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Purpose. The purpose of the course is to explore the role of lawyers who devote their full time to focusing on the legal risks of clients that are either a business organization, non-profit, government or NGO (or group of related such organizations). By the end of the course you should be able to understand how to predict and prevent potential problems for such organizations and have a grasp of strategies to evaluate, avoid, mitigate, ameliorate, remedy, and resolve such risks.

Course Material. There is no case or text book. The material below will be your readings for the course and discussed in the week indicated. At a few points we will use YouTube videos in class: a discussion among several in-house counsel, and a discussion by an entrepreneur (who has a law degree) and his in-house counsel, both to lead to in class discussion and analysis of issues those videos raise. While I have checked the links in late July, 2017, if any don’t work, please email me.
Classes. This class is scheduled to meet for 2 academic hours per week, on Wednesday at 2:00 PM.

Attendance Policy. The rules of the New York State Court of Appeals, the American Bar Association, and the Law School all require law students to be in good and regular attendance in the courses for which they are registered. To comply with these rules, you must attend at least 85% of your regularly scheduled classes. A student enrolled in a two-credit course may thus miss no more than two 100-minute class sessions (in other words, two regularly scheduled classes).

I will provide sign-in sheets for each regularly scheduled class, which shall be the dispositive evidence regarding your absence from a given class. Each student is responsible for signing in. Falsification of sign-in sheets is a violation of the Code of Academic Conduct.

If you exceed the permitted absences by failing to sign in, you will be administratively withdrawn from the course. No prior notice may be given, and you will receive notification from the Office of Academic Records indicating the withdrawal. Any such withdrawal may have serious ramifications for your financial aid, academic standing, and date of graduation. If you are excessively
absent from several classes, you may face additional sanctions, including but not limited to denial of certification of good and regular attendance to the New York State Board of Law Examiners, or other state bar examiners.

If you believe you must be absent from class please notify me at the email above, and if for more than the permitted number of classes, you should contact the Office of Student Affairs as soon as possible. Accommodations will be made for students who must be absent for religious reasons and in cases of truly compelling hardship. Any request for an exception made to the Office of Student Affairs must be accompanied with appropriate documentation.

_Lateness & Early Departure:_ Students are expected to be on time to class and to stay until it is dismissed. However, it is better to come to class late or leave early than not at all. You may walk in late or leave early if you have a good reason, as long as you share the reason with me and don’t abuse this privilege, and be sure to sign the sign in sheet.

_“TWEN” (The West Education Network):_ I have set up a course page for this class on TWEN. TWEN gives me a quick way to reach all of you with any announcements, Syllabus changes, handout materials, interesting links, etc. It also gives me a way to extend class discussion beyond the classroom hours. _You must_
register for this course on TWEN by Noon on August 22, 2017. Certain readings noted below are available on TWEN.

**Learning Outcomes:** At the completion of this course we expect the following learning outcomes:

1. Understanding of many of the sources of substantive law and practice governing organizations and their compliance responsibilities.
2. Understanding the tenor and content of some of those substantive rules.
3. Understanding of the rules of privilege, legal and ethical responsibilities for in-house counsel, both in terms of their substance and also their procedural attributes.
4. Understanding of the processes by which substantive rules for organizations and their counsel are created, modified, implemented, enforced and complied with. This will include state v. federal, legislative v. regulatory v. judicial v. reputational, among other aspects.
5. Identifying, researching, analyzing and writing about problems that organizations and their in-house counsel have faced, are facing, or are likely to face.
6. Analysis of both prophylactic and remedial tools and alternatives, including counseling, negotiating and advocating in a variety of law making environments and the role of technology in these activities.

7. Understanding how to deal with various organizational constituencies (employees, officers and directors), and counter parties (suppliers, customers and governmental actors),

**Expected Student Workload:** The American Bar Association requires that you spend at least four (4) hours per week outside of class studying for this 2-credit course. This is an average amount of time required for out of class work per week over the course of the semester. The time you will spend throughout the semester reviewing the readings below and researching, drafting and revising the final paper for this course will satisfy (and likely exceed) that time commitment. This is in addition to the two hours of class time. The reading load is designed to be heavier earlier and lighter later to facilitate work on the papers.

**Final Grade for the Course:** The final grade for the course will be determined principally by the final paper. Class participation may influence the final grade, but only as a tipping factor when the paper admits of two possible grades
**Final Paper:** The principal grading exercise (except for the role of class participation above) will be a final paper. It should be between 15-20 pages long. Failure to write at least 15 pages may result in a failing grade. Writing more than 20 pages will result in a grade reduction up to 25 pages, after which failure is possible.

The paper should be on a topic of the student’s selection that relates to the topics identified in the syllabus below or otherwise relates to the law and role of in-house counsel. Focusing on the problems and potential solutions associated with being in-house counsel for a particular industry or type of company, or on a newly developing area of concern for in-house counsel, generally have been examples of successful topics. But any paper that relates to the law and role of in-house counsel is acceptable. The paper should not be a memo of law or a brief. It more should resemble an article in a practical law magazine, as published by various bar associations, and not an academic law review, as published by students at most law schools. As the course outline suggests, an analytic integration of legal, practical and empirical information is optimal. On TWEN you will find a copy of an article I wrote this Spring for the monthly magazine of the Association of Corporate Counsel, *The Docket*. Its topic as written is not appropriate for this course paper, but it is posted so you can see the general style of integration of diverse material to
propose a novel solution. Matters of style of the course paper should be as noted below, not as used in the article. (In particular, the course paper cannot have the sidebars the article does, nor does the use of footnotes in *The Docket* follow the rules cited below).

To assure that the student and instructor are agreed on the scope and relevance of the student selected topic (choice of topic is part of the grading), each student must submit a **one page summary** of the proposed topic and approach of that student’s paper. The summary must be submitted electronically to the gmail address above as a Microsoft Word or Apple Pages compatible file. **The deadline for submission of this summary of the proposed paper is midnight Eastern Time, Sunday October 8, 2017.** The proposal will be returned with my comments by Sunday October 22, and hopefully sooner.

Subject to discussion in our first session, the **final paper** will be due by **11:59 PM ET November 30, 2017,** to be submitted electronically as above. Papers that are late will be subject to a grade reduction and more than 48 hours late, failure. Final papers will not be returned.

Because the papers are on different topics it is fair to ask: how will they be compared (i.e., graded). Factors to be evaluated include: is it well written? Are the
grammatical basics there and does the paper reflect thoughtful and comprehensive analysis? Does it explore an interesting or novel question? Is the research for an answer thoughtful and complete? Simple regurgitation of material covered by the course (whether orally in class or in writing in the materials below) will be less well regarded. There will be further discussion about the paper in class.

As to form (page and type size, etc.) papers should comply with the formatting standards identified in 22 N.Y.C.R.R. 600.10 (a), subparts 3, 4, 6, 10 and 11. Noncompliance may result in a lower grade, or if it results in illegibility (like the App. Div. justices, I am old enough to be presbyopic) return for prompt reformatting, or both.

**Optionally,** students are encouraged (but not required) to submit a *draft* of their proposed paper for my comment not later than **6 PM November 11, 2016.** I expect to return drafts with my comments within a week (hopefully sooner) of receipt.

**Computer Policy:** Computers (inclusive of laptops, tablets, “smart” phones and other similar devices) are to be used during class solely for taking notes or conducting real time research into a matter being actively discussed in class and no other purpose. They are not to be used to “surf the net” or send email or instant
messages. Violations of this rule may lead to you being prohibited from using a computer during class sessions for the remainder of the semester.

**Communications:** The best way to communicate with me is by email at mlampert@gmail.com. I will get back to you promptly, usually within an hour and in all events within not more than 24 hours. For some of the weeks between classes I will not be in the Eastern Time Zone. While I do not maintain regular office hours, if you need to speak with me in person, we can set up an appointment by email with me either before (preferred) or after (possible but second choice) class. If your topic is of general interest, consider sending it to the entire class via TWEN; I reserve the right to answer to the class.

**CLASS TOPICS AND READINGS:**

**INTRODUCTION** (week 1)

An overview of the degree to which lawyers are employed by business, governmental and non-profit organizations to provide them legal advice for a salary (and perhaps bonus) instead of any other fee arrangement. A foreshadowing of the effect of this on their independence, perceived independence, licensing, and their exposure to liability. Questions of in house counsel's role as clients, as lawyers, and questions of who acts for the organization.
Materials:

-Excerpt from *The Inside Counsel Revolution* by Ben Hieneman, former GC, GE.
  https://corpgov.law.harvard.edu/2016/03/29/the-inside-counsel-revolution/

-The Role of In-House Lawyers, San Francisco Attorney (Summer 2008),
  http://www.sfbar.org/forms/sfam/q22008/in_house_lawyers.pdf

- Top Ten Things I Know Now that I Wish I Knew Then (B. Bulacan, Assoc. of Corp Counsel)
  http://www.acc.com/legalresources/publications/topten/wikntiwikt.cfm?makepdf=1

-ABA Mentoring New Lawyers- Other Side of Paradise; Six Rules; Attorneys on the Inside -Functions and Goals

-Management expectation: https://advance.lexis.com/search?crid=ce89cb80-d8e8-437c-aff0-ca402c76fab8&pdsearchterms=LNSDUID-ALM-CORPCM-1202763473394&pdbypasscitatordocs=False&pdmfid=1000516&pdisurlapi=true

-2017 Chief Legal Officers Survey (Association of Corporate Counsel) READ ONLY THRU AND INCLUDING KEY FINDINGS
THE ROLE OF IN-HOUSE COUNSEL IN COMPLIANCE: CRIMINAL AND GOVERNMENTAL

(weeks 2 and 3)

The role of lawyers as law enforcers, keeping the organization from violating the rules. The risk reward structure of private law violation (efficient breach), regulatory violations and criminal exposure. Who decides? The role of management, levels of management and boards. Prophylactic policies, training and effective control mechanisms to prevent and identify wrongdoing. What does Sarbanes Oxley esp. section 205, say about handling this in terms of reporting and retaliation?
When, inevitably, something wrong has happened, factors to consider in counseling. Risks to individuals and the enterprise and how to balance them.

When does self-reporting, or confession and mitigation make sense? When should outside counsel be called?

Class will discuss AML & the wire act based on handouts.

Materials (two weeks of reading):

- Overview of Federal Whistleblower Regulations (Assoc. of Corp Counsel).
  http://www.acc.com/legalresources/quickcounsel/whistleblowing.cfm

PREVENTION:

- Preventing Discrimination and Harassment In The Workplace
  http://www.acc.com/legalresources/quickcounsel/pdahitw.cfm

- Sample Codes of Conduct, Apple; Walmart (DO NOT READ IN FULL- Skim with a focus on 2 matters: comparative style, and comparative topics)
  http://files.shareholder.com/downloads/AAPL/0x0x443008/5f38b1e6-2f9c-4518-b691-13a29ac90501/business_conduct_policy.pdf

IS AN OUNCE OF PREVENTION WORTH A POUND OF CURE?

-The Costs and Benefits of Regulatory Cost-Benefit Analysis

-Understanding the Costs of Compliance [Gartner Group on Stanford web site]
READ ONLY: FIRST 2 PAGES AND SECTIONS 5 & 6 (CONCLUSIONS & RECOMMENDATIONS)
http://logic.stanford.edu/poem/externalpapers/understanding_the_costs_of_c_1380_98.pdf

-Coming Clean and Cleaning Up: Does Voluntary Self-Reporting Indicate Effective Self-Policing? (PAGE 1 SUMMARY ONLY)
http://scholarship.law.georgetown.edu/cgi/viewcontent.cgi?article=1490&context=facpub
CRISIS MANAGEMENT


UPJOHN WARNINGS

-Scruples: Upjohn Warnings (Litigation Magazine, ABA 2016)

http://www.americanbar.org/content/dam/aba/publications/litigation_journal/spring2016/upjohn-warnings.authcheckdam.pdf

YATES MEMO

-The Memo: https://www.justice.gov/dag/file/769036/download

-Does it survive the election? http://abovethelaw.com/2017/05/did-a-jeff-sessions-riff-signal-the-beginning-of-the-end-for-the-yates-memo/


-Yates memo and Upjohn warnings? http://0-


FCPA IMPLEMENTATION  [These 2 articles and some others below are archived on LexisAdvance – Links will ask for Lexis password then go through]

- Practice: http://www.corpcounsel.com/id=1202759879611/Key-Lessons-for-GCs-From-Two-FCPA-Cases?mcode=0&curindex=0&curpage=ALL

LARGE SCALE CIVIL PROBLEMS, IS THE SCOPE THE SAME? (Week 4)

Did Uber’s counsel serve the company? Dealing with the press. Off label drug marketing – a class discussion

Materials:


- Uber: Background - Hiring of former Waymo (Google/Alphabet affiliate) engineer https://www.wired.com/story/uber-waymo-court-showdown/

The role of in-house counsel at Uber: watchdogs or lapdogs?

http://www.corpcounsel.com/id=1202790089074/After-Covington-Report-Busier-Times-Ahead-for-Ubers-Legal-Department
http://www.corpcounsel.com/id=1202790573088 (HR)

http://www.corpcounsel.com/id=1202792086536 (due diligence)


-PRESS RELATIONS AND QUESTIONS OF PRIVILEGE.

-ABA – Why lawyers need crisis communications skills


-Ethical limits of dealing with the press

CLASS DISCUSSION: Background – What is off label marketing?
(read first few paragraphs only, stop at heading “Companies that have paid . . .”)

http://www.bioworld.com/content/label-use-fine-line-between-illegal-promotion-and-useful-information

Amarin & Amgen: is it better to fight or settle? (In class poll)

-Fight?-

http://www.nysd.uscourts.gov/cases/show.php?db=special&id=478

-Settle?-


-Fight then settle? https://www.lw.com/thoughtLeadership/LW-amarin-settles-off-label-case-against-FDA


OPTIONAL FURTHER READING:
DeMott, The Stages of Scandal and the Roles of General Counsel,

http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=5251&context=faculty_scholarship

ATTORNEY CLIENT PRIVILEGE - IN-HOUSE V. OUTSIDE COUNSEL, COMMON V. CIVIL LAW (week 5)

The common law presumption that outside counsel are sought for legal advice, v In-House counsel for business advice. The effect of non-legal titles on the character of the advice. The civil law rule that employed attorneys cannot create privilege, but have a duty of nondisclosure and exists in a different background on “discovery”. The competition dichotomy in Britain, and a comparison with varying rules on accountant privilege in the US.

Privilege creation materials:

- Upjohn. UPJOHN CO. v. UNITED STATES, 449 U.S. 383 (1981)

- See Material on In-house a/c privilege, Sections A & B on Twen

- 7 Best Practices for Preserving A/C Privilege (now on Lexis)
http://www.corpcounsel.com/id=1202728127773/7-Best-Practices-for-Preserving-InHouse-Counsel-Privilege?cmp=share_email&slreturn=20150626123631


-Whose law governs? In England, its law

https://www.dorsey.com/newsresources/publications/client-alerts/2017/05/two-recent-decisions-highlight-the-courts

**Waiver or termination** - unforeseen privilege holders; corporate death

Sale of all or part of a business. Trustees in bankruptcy.

Materials:

- Material on In house a/c, Sections C et seq.

- Defunct Company

http://www.americanbar.org/content/dam/aba/publications/litigation_committees/trialpractice/red_vision_systems_v_national_real_estate.authcheckdam.pdf

-Ethical Issues for In-House Counsel (including privilege)

-Advice of counsel v. A/C privilege


INTERNAL INVESTIGATIONS (week 6)

Upjohn warnings. Intention to create privilege v. disclosure use. Selective waivers.
Potential liability to participants under 18 USC 1001.

Materials:


-Boiling the Ocean or 30 seconds in the Microwave

http://www.americanlawyer.com/id=1202757857269/With-Internal-Investigations-Firms-Walk-a-Tightrope-?slreturn=20160605114356

-Limited waiver of a/c privilege: Fed. R. Evid. 502

INTERNAL INVESTIGATIONS CONCLUDED; THE ROLE OF ELECTRONICS IN LAW AND BUSINESS (week 7)


(37(e)) https://www.law.cornell.edu/rules/frcp/rule_37
Contents of Sedona Material:  [https://thesedonaconference.org/publications](https://thesedonaconference.org/publications)

Sedona Guidelines on eDiscovery:

[https://www.americanbar.org/content/dam/aba/migrated/scitech/annual/2006/pdf/23.authcheckdam.pdf](https://www.americanbar.org/content/dam/aba/migrated/scitech/annual/2006/pdf/23.authcheckdam.pdf)


FTC and big data (read Executive Summary Only):

WHAT BAR REGULATORS EXPECT. WHAT MANAGEMENT EXPECTS

(week 8)

LICENSING:

The ACC model rule and its effects. Comparison with rules of professional conduct for multi-jurisdictional practices. Role of pro hac vice.

Material:

-ABA Chart of Rules (Skim)

http://www.americanbar.org/content/dam/aba/administrative/professional_responsibility/in_house_rules.authcheckdam.pdf

-Sutherland article

http://www.sutherland.com/portalresource/lookup/poid/Z1tOl9NPluKPtDNIqLMRV56Pab6TfzcRXncKbDtRr9tObDdEuSZDm0!/fileUpload.name=/Bar%20Licensing%20Compliance%20for%20In-House.pdf

-Jones Day article http://www.jonesday.com/files/Publication/89eb9ef7-e976-45e1-bef3-00a7fafe75f3/Presentation/PublicationAttachment/fdf33929-cb77-4d5f-8eb4-0582dc035fb4/Bar%20License.pdf

Hieneman excerpt from week 1
Australian in-house lawyers swap companies:


IN-HOUSE COUNSEL AS COST SAVERS AND AS REVENUE SOURCE – FEE SHIFTING (week 9)

Three principal ways in house counsel save money: move work in house; improve legal processes; manage outside procurement.

Materials:


- Outside counsel procurement (summary):

https://thepractice.law.harvard.edu/article/corporate-purchasing/

- Corporate value implementation in procurement, an example:

http://www.americanbar.org/groups/litigation/committees/diversity-
inclusion/news_analysis/articles-archive/spring2015-0415-how-in-house-counsel-can-promote-lgbt-diversity.html


- CM & AI – Microsoft Legal Dept. pilots the way https://bol.bna.com/microsofts-legal-department-is-piloting-ai-right-now/


- Metrics: http://www.corpcounsel.com/id=1202763706342/OneFourth-of-Legal-Departments-Dont-Use-Metrics-Report-Says?kw=One-Fourth%20of%20Legal%20Departments%20Don%27t%20Use%20Metrics%2C%
How do we compute a “lodestar” for a lawyer who is salaried and has no hourly rate? When should in-house counsel keep time records so their fees can be shifted? Can corporations practice law?

Materials:

-In house as plaintiff’s counsel:

-Fee Shifting: The Recovery of In-House Legal Fees, 39 Wm Mitchell L. Rev. 227 (skip footnotes)

-Recent Massachusetts Appellate Decision
http://masscases.com/cases/app/85/85massappct292.html
GC’s GONE BAD - MALPRACTICE; POTENTIAL LIABILITY AND INSURANCE; CRIME (Week 10)

Liability for malpractice: current employer; successor manager (new owner by sale or bankruptcy). Third party rights from representation letters or reliance. Insurance for in house - malpractice; Officers and Directors Errors and Omissions; Comprehensive General Liability.

Materials:


-Insurance: factors to consider: http://www.insidecounsel.com/2015/02/06/what-every-general-counsel-and-law-department-need

- Policy Description: Chubb via ACC (skim only)

- Disgorgement of in house salary for malpractice? NJ view 2015 WL 5552662 or

-misappropriating GC http://www.corpcounsel.com/id=1202759907176/GC-Who-Took-458000-Gets-TwoYear-Suspension

-allegation is not proof

-conflicts of interest:
http://www.corpcounsel.com/id=1202764256914/A-CLOs-Departure-Shines-Light-on-InHouse-Conflicts?mcode=0&curindex=0&curpage=ALL

THE IN-HOUSE LAWYER AS EMPLOYEE (Week 11)

At common law a client can fire a lawyer for any reason or none. How does this principle interact with employee anti-discrimination laws and other protective statues? What of the special problem of a lawyer’s duty to keep a client’s confidences contrasted with various statutory protections for whistleblowers. Covenants not to compete are increasing common in the business; they are
prohibited in the legal profession. What rules apply to a Senior Vice President and Deputy General Counsel?

Materials:

- A employment agreement for GC – a model and a sample – and look at their subjects, not their detail:
  

  https://www.sec.gov/Archives/edgar/data/1397403/000162828015000269/exhibit102generalcounselem.htm

Attorneys as whistleblowers (Latham & Watkins)

http://www.lw.com/thoughtLeadership/SEC-whistleblowers

GC who actually blew:


NYCLA Ethics

https://www.nycla.org/siteFiles/Publications/Publications1647_0.pdf


Covenants and SLAPP suits - Fox Searchlight Pictures, Inc. v. Paladino, 89 Cal.App.4th 294

**FIELDS OF KNOWLEDGE** (week 12)

What fields do in house lawyers usually focus on? What will they in the future? In a world of increasing specialization, how do enterprises find “General Counsel” to at least issue spot broadly.

Materials:

- In house promising fields  http://www.insidecounsel.com/2014/11/03/litigation-most-promising-field-for-legal-hiring

- Major Lindsey searches  http://www.mlaglobal.com/legal-career-opportunities

- ACC committees  http://www.acc.com/committees/
-In house Mergers & Acquisitions work


PROPHLAXIS (week 13)

Keeping the organization out of trouble. Manuals. Education and training. Record retention.

Materials:

-Apple and Walmart policies from week 2 above

-ABA Analysis of Record Retention

http://www.americanbar.org/content/dam/aba/migrated/buslaw/newsletter/0021/materials/recordretention.authcheckdam.pdf

-ABA Sample Records Policy

http://apps.americanbar.org/lpm/lpt/articles/sampledocretentionpolicy.pdf
-Analysis by largest off site retention provider in US:


Better Business Bureau:


The Accountant’s view:  https://www.cpa.net/resources/retengde.pdf

CONCLUSION AND CLEAN UP (week 14)

GC’s, a global view and using the 8 “c”s.

http://www.legalweeklaw.com/research_item/28076