
3RD ANNUAL CHIEF LEGAL OFFICER SURVEY

The Opinions of Chief Legal Officers on Issues of Importance

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SECTION 1

BACKGROUND & OBJECTIVES

Background & Objectives

The American Corporate Counsel Association (ACCA) and Altman Weil, Inc. together surveyed Chief Legal Officers (CLOs) attending the 2000, 2001 and 2002 ACCA Annual Meetings. The purpose of these surveys is to:

- 1) Capture the thinking of Chief Legal Officers attending the annual meetings.
- 2) Compare CLOs' year-to-year answers and changes in thinking as well as longer-term trends in some areas.
- 3) Share the results of the tabulated surveys with the legal profession, enabling both corporate law departments and law firms to benefit from the surveys.

Participation

136 Chief Legal Officers provided responses for the 3rd Annual Survey. The Survey responses were tabulated and analyzed. Following is a summary of the results of the Survey.

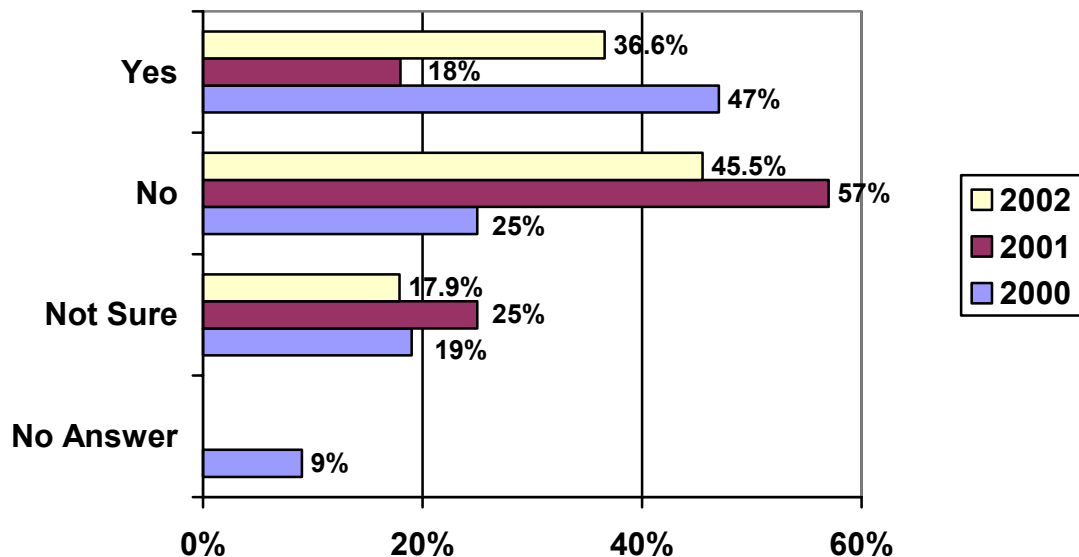
SECTION 2

SUMMARY OF RESULTS

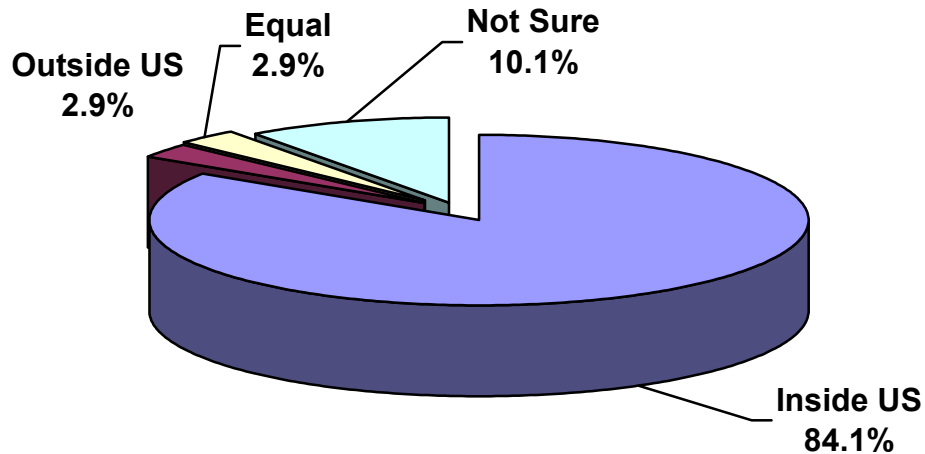
Summary of Results

The results of the survey follow. Each question is presented and the tabulated results of the survey follow each question. Where identical or similar questions were asked in prior CLO Surveys, a comparison and analysis is presented. Some answers are represented in charts and graphs while others are provide in text format.

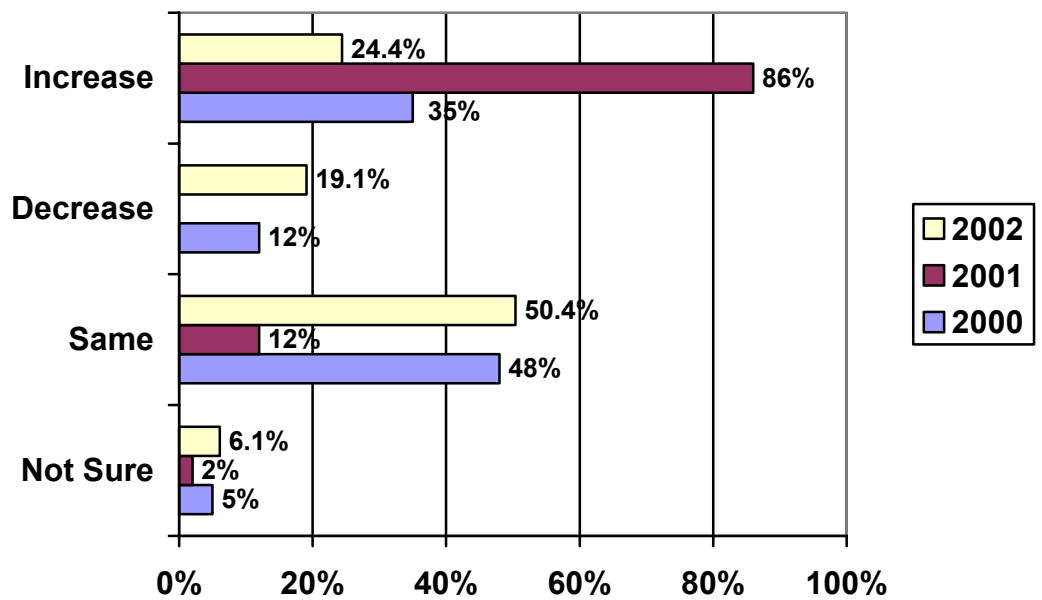
1. Within the next 12 months, do you plan to extend your in-house legal capabilities by hiring additional lawyers?



1a. Will you see greater hiring within the U.S. or outside the U.S.?



2. Within the next 12 months, do you plan to increase or decrease your use of outside counsel?



3. What do you believe are the three most important things that a General Counsel does with, or for, the Board of Directors?

The top three responses in order of frequency:

- a. Candidly weighing and assessing risks of various courses of action
- b. Ensuring appropriate corporate governance
- c. Ensuring a sound corporate compliance program is in place

4. In which three ways does your law department best add value to the company?

The top three responses in order of frequency:

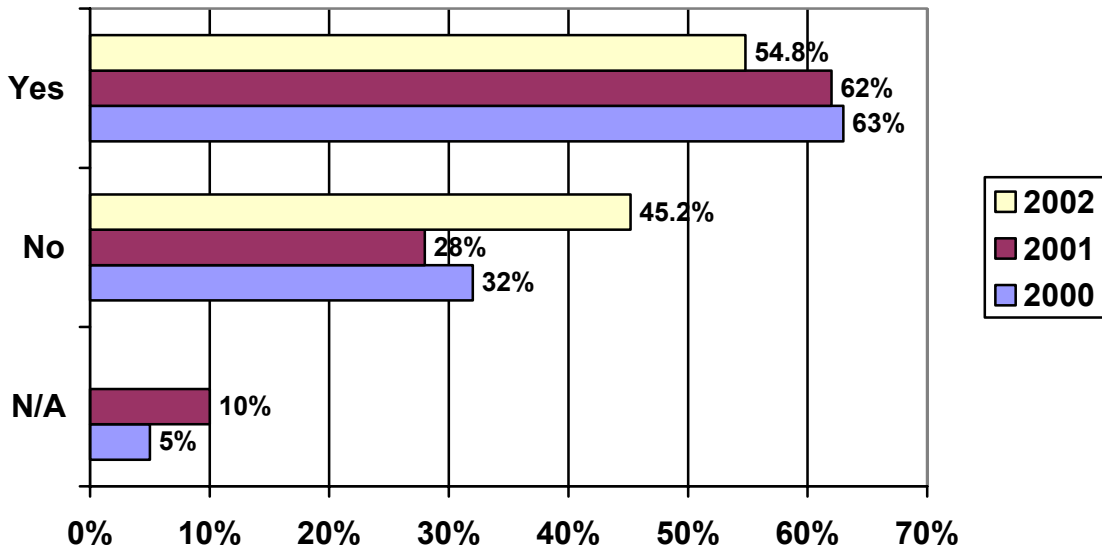
- a. Minimizing risk
- b. Good alignment with business units (clients)
- c. Managing outside counsel and related costs

5. What are the three most significant ethical issues a corporation faces?

The top three responses in order of frequency:

- a. Misrepresentation of financial condition
- b. Conflicts of interest
- c. Fraud

6. Have you fired or are you considering firing, one of your law firms this year?



The Number One Reason:

LACK OF RESPONSIVENESS

Other reasons mentioned in order of frequency:

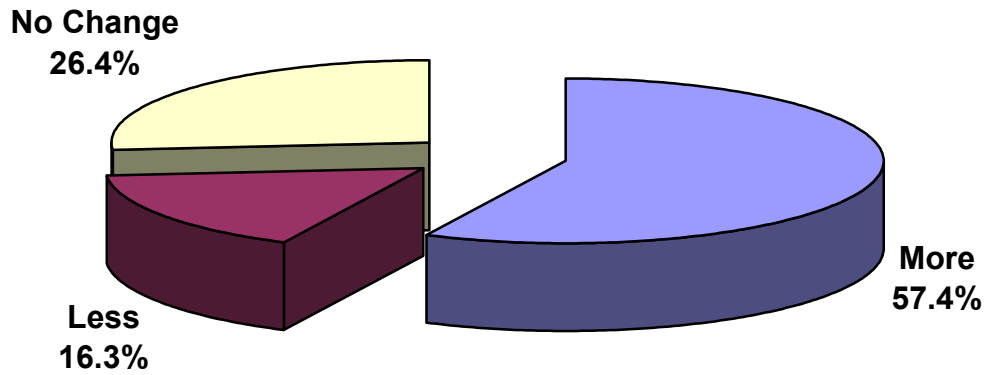
- a. Failure to control expenses and disbursements
- b. Firm mishandled one or more critically important matters
- c. Lack of desired legal results
- d. Unreasonably high number of billed hours

7. What is the single most innovative practice proposed or used by your outside counsel in the last twelve months?

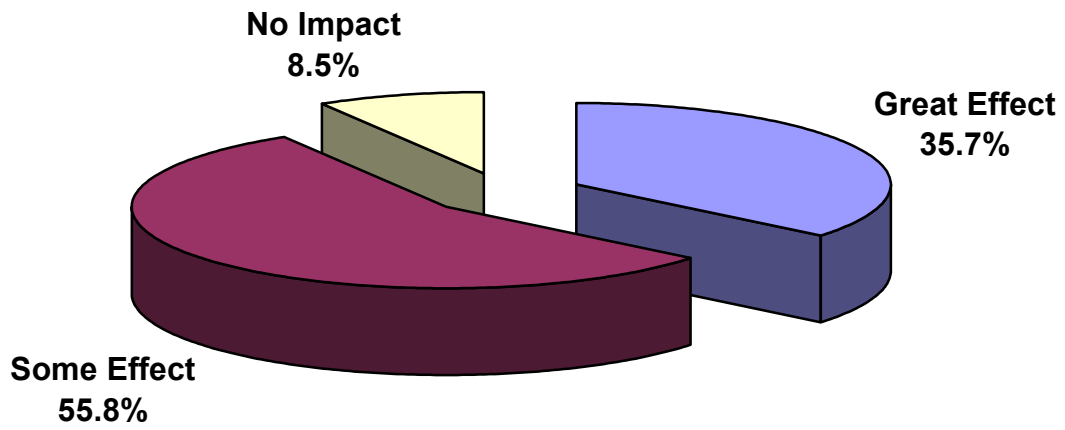
Top three practices:

- a. Nothing creative from our firms
- b. Fee arrangements (Fixed; Flat; Contingent)
- c. Use of technology (Extranets; Sharing information; Project management)

8. Is the attorney/client privilege (as it applies to you) more or less important in today's environment?



9. If the attorney/client privilege is lost or weakened, would it affect your ability to represent your client?



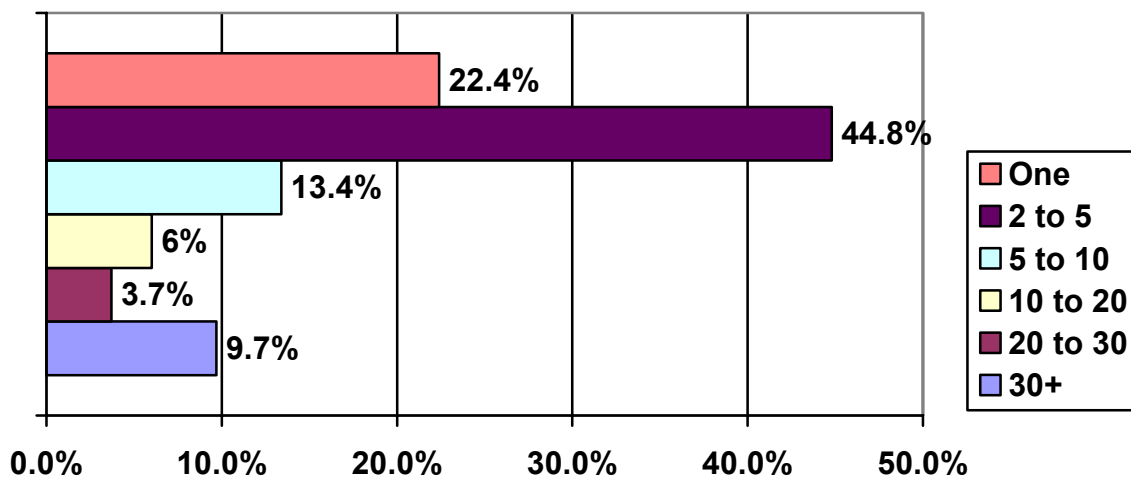
SECTION 3

SURVEY DEMOGRAPHICS

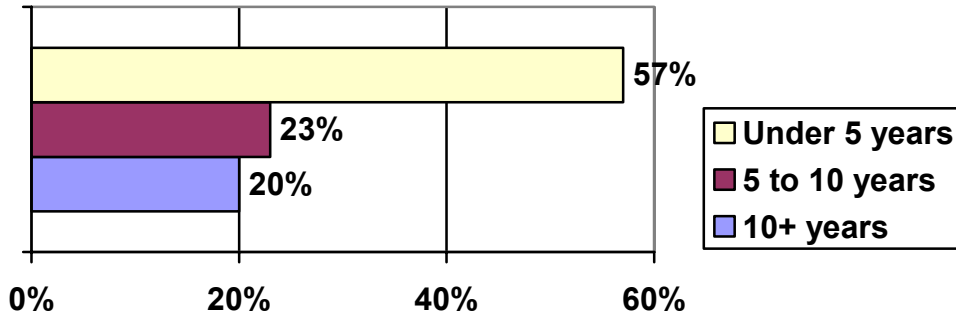
Survey Demographics

Following are the Survey demographics, which describe the responding Chief Legal Officers and their law departments.

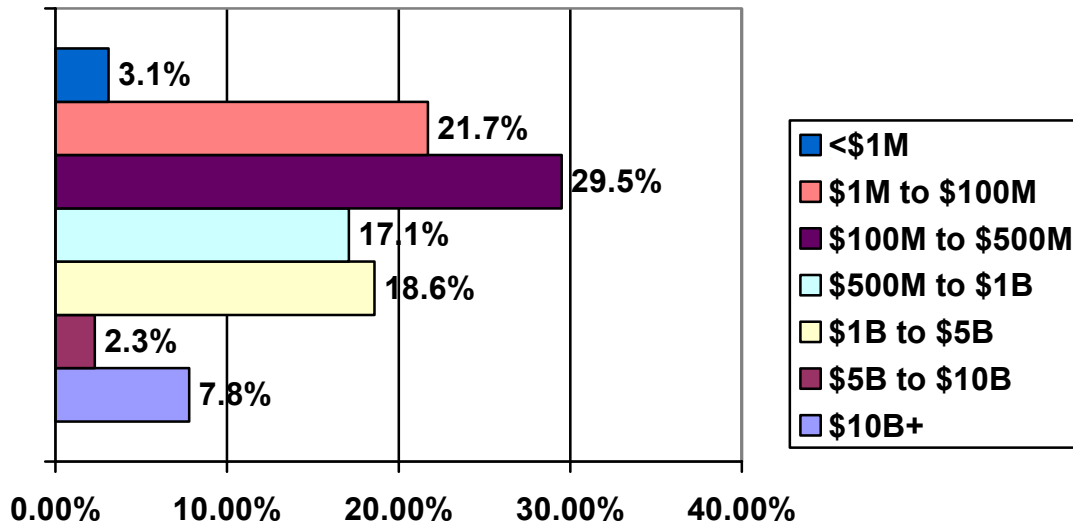
1. How many in-house attorneys are in your department (in all locations)?



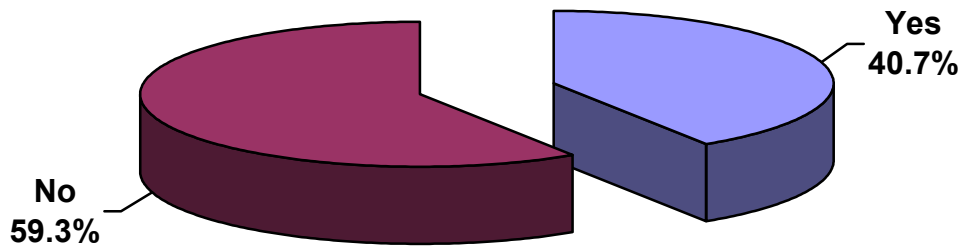
2. How many years have you been general counsel?



3. What are your corporation's annual revenues?

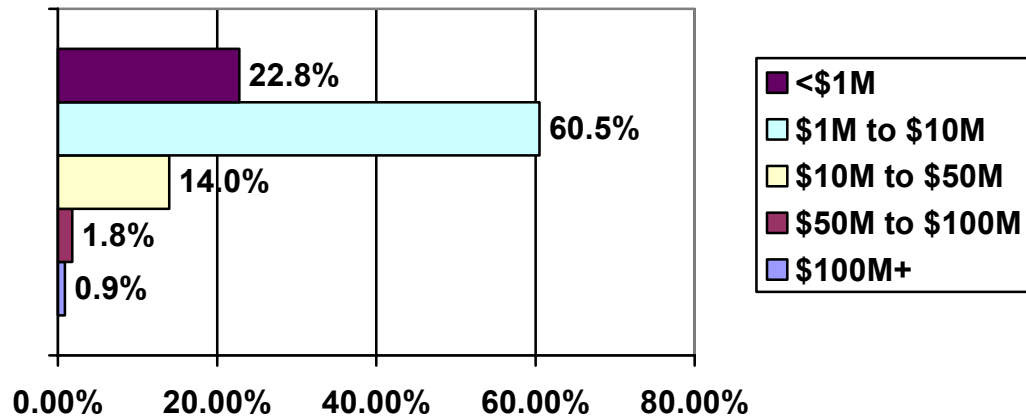


4. Is your law department multi-site?



4a. Average number of locations: 4

5. What is the size of your 2002 law department budget (inside and outside) in U.S. dollars?



SECTION 4

ABOUT ACCA

About the American Corporate Counsel Association

The American Corporate Counsel Association is *the in-house bar association*SM serving the professional needs of attorneys who practice in the legal departments of corporations and other private sector organizations worldwide. The association promotes the common interests of its members, contributes to their continuing education, seeks to improve understanding of the role of in-house attorneys, and encourages advancements in standards of corporate legal practice.

Since its founding in 1982, the association has grown to more than 14,000 members in 40 countries who represent 6500 corporations, with 43 chapters and 12 committees serving the membership. Its members represent 49 of the Fortune 50 companies and 97 of the Fortune 100 companies. Internationally, its members represent 42 of the Global 50 and 77 of the Global 100 companies. For more information, go to www.acca.com.

ACCA's Services Include:

1. **Virtual Library**SM (www.acca.com/vl/)— ACCA's online databank of documents, articles, and sample forms and policies show corporate counsel how to do their jobs better and more cost effectively.
2. **NewsNET**SM (www.acca.com/newnet/)— Weekly electronic slip opinions provide the latest information on key legal areas of interest to corporate counsel.
3. **MemberToMember**SM (www.acca.com/membership/serach.php)— ACCA's preeminent networking system provides members with a network of in-house attorneys ready to answer questions and provide advice on over 100 different areas of legal practice.
4. **Chapters and Committees** (www.acca.com/networks/)— Local chapter knowledge networking sessions and CLE programs offer face-to-face contact with corporate

counsel to discuss issues. Committees offer networks based on areas of interest and provide advice and guidance from volunteer experts on 12 different legal topics: from corporate and securities to intellectual property to managing a small law department.

5. **CLE Programs** (www.acca.com/education/)— ACCA presents outstanding programs to enhance corporate counsel performance. At ACCA's Annual Meeting, attendees can obtain an entire year's worth of CLE credits and attend outstanding sessions. At local chapter programs, top-notch luncheon and evening CLE programs provide a convenient way to stay up-to-date on legal issues.
6. **ACCA Docket** (www.acca.com/p-docket.php)— As the only legal magazine written *by* in-house counsel *for* in-house counsel, the award-winning *ACCA Docket* offers practical guidance on critical issues facing corporate attorneys in small and large legal departments. Regular topics covered include corporate governance, ethics, client relations, outside counsel management, labor and employment law, and other substantive law areas.
7. **Advocacy** (www.acca.com/advocacy/)— ACCA serves as the voice of the in-house bar, asserting our professional rights and obligations. ACCA seeks to protect attorney-client privilege; work toward more practical and reasonable admission rules; and lead the outside bar on issues such as reform of the billable hour and conflicts of interest guidelines that protect clients. ACCA serves corporate counsel by protecting their client's investment in the value added by having an in-house staff.

Contact ACCA

For more information, go to www.acca.com or call 202.293.4103.

SECTION 5

ABOUT ALTMAN WEIL

About Altman Weil, Inc.

Altman Weil provides management consulting services exclusively to legal organizations. Our clients include law firms, law departments, governmental legal organizations and legal vendors of all sizes and types throughout North America, the U.K. and abroad.

We offer a full range of consulting services, a vast menu of valuable publications and some of the most impressive credentials in the industry.

Consulting Services

- Law Firm Mergers and Acquisitions
- Merger Integration
- Compensation Systems
- Strategic Planning
- Organizational Development
- Leadership and Management Development
- Profitability Analysis and Planning
- Process Reengineering
- Benchmarking
- Economic Assessment
- Overhead Cost Reduction
- Branding
- Client Development and Market Planning
- Attorney and Staff Training
- Human Resource Management
- Quality Management Programs
- Financial Management
- Client Surveys
- Technology Services

Publications

Our surveys are the industry standard and are often utilized in courtroom expert testimony:

- *Survey of Law Firm Economics* (published annually)
- *The Law Department Performance Metrics Survey* (published annually in partnership with the American Corporate Counsel Association)
- *The Law Department Compensation Benchmarking Survey* (published annually in partnership with the American Corporate Counsel Association)

Contact Altman Weil

Contact Altman Weil, Inc. at info@altmanweil.com, visit our website at www.altmanweil.com, or call (610) 886-2000 to learn more about our services.