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BIG Wins & Deals

Steptoe Represents MCI in Successful Merger

After close scrutiny, the US Department of Justice (DOJ) cleared the \$8 billion merger of MCI, Inc., the second-largest US long-distance company, and Verizon Communications, Inc., the largest US local telephone company. Steptoe served as MCI's chief antitrust counsel, advising MCI on review by the European Commission, as well as review by the Federal Communications Commission, and two dozen state public utility commissions. After obtaining all necessary approvals, the merger closed in January 2006. The Steptoe team included **Anthony Epstein, Alfred Mamlet, Robert Fleishman, Douglas Hilleboe, Daniel Mah, Brendan Kasper, and Erica Mueller.**

Stratos Team Inks Xantic Acquisition

Steptoe attorneys from the Washington, Phoenix, London, and Brussels offices served as lead counsel on Stratos Global Corporation's acquisition of Xantic B.V. for approximately \$200 million in February 2006. Stratos is a leading global provider of mobile and remote telecommunications solutions, and Xantic was the third-largest provider to satellite telecommunications operator, Inmarsat. The Steptoe team advised Stratos on securities offerings, US aspects of a major loan refinancing, and worldwide competition clearances.

The team included **Alfred Mamlet, Scott Katzman, Maury Shenk, Donald Meiers, Christopher Tai, Anthony Epstein, Robert Fleishman, Kenneth Ewing, Robert McLaughlin, Philip West, Susan Serling, Andrew Bloom, Julie Vinyard, Kees Kuilwijk, Winnie Chang, Daniel Mah, Alan Davis, Michael Fox, Marisa Baker, Sarah East, Keith Sieverding, and Margaret Lin.**

Victory in London

Attorneys from Steptoe's London office secured a full recovery for DeTeAsia Holding, a subsidiary of Deutsche Telekom (DT), against Celcom of Malaysia, the state-controlled wireless telecommunications operator, arising from a share option dispute. Steptoe was retained in England to file

proceedings to recognize and enforce a \$232 million International Court of Arbitration Final Award and obtain a Freezing Order against Celcom with respect to its international roaming and interconnect revenues. DT initiated arbitration proceedings against Celcom in March 2003 claiming damages plus interest for breach of an agreement related to the sale of Celcom that same year. Following heavily contested proceedings, the High Court of England and Wales recognized and enforced the Final Award and entered judgment in DT's favor in February 2006 for over \$233 million. This amount represents full financial recovery for DT, including costs related to the arbitration and interest.

The Steptoe team was led by **Thomas Sprange, Andrew Schütte,** and **Andrew Gilliland.** **Frank Roose,** partner in the Brussels firm of Olislaegers & De Creus—a corporate firm associated with Steptoe's Brussels' office—was also involved in enforcement and attachment proceedings against Celcom in Belgium.

Insurance Win

In February 2006, Steptoe's Insurance group obtained a summary judgment victory on behalf of Fidelity and Guaranty Insurance Underwriters, Inc. (FGIU), a subsidiary of St. Paul Travelers, against Nationwide Tanks, Inc. The case, heard in the US District Court in the Southern District of Ohio, involved the

rupture of one of Nationwide Tanks' above-ground storage facilities that caused extensive property damage. FGIU defended Nationwide Tanks in the underlying action, and simultaneously filed a declaratory judgment action in the US District Court for the Southern District of Ohio against its dissolved policyholder, seeking a declaration that its policy did not provide coverage for the claim at issue. The underlying plaintiffs intervened in the Federal Court coverage action, claiming that the FGIU policies provided coverage for the claims at issue and that underlying plaintiffs were entitled to the insurance proceeds. The Ohio Federal District Court granted FGIU summary judgment on the grounds that the alleged injury took place outside of FGIU's policy period. **Frank Winston, John Casciano,** and **Hillary Jarvis** led the Steptoe team.

Steptoe Secures "Top Defense Verdict" in California

The *Los Angeles Daily Journal* listed *Hooper v. Chevron U.S.A.* as one of the "Top Defense Verdicts of 2005." The Alameda County Superior Court jury found that Chevron's products, which contained benzene, were defective. However, the jury voted in a 9-3 judgment that although Chevron did not adequately warn of the risks posed by the thinners and solvents at issue, they did not cause the plaintiff's non-Hodgkin's lymphoma. **Lawrence Riff** and

Ruth Kahn led the defense team and were also quoted in the *Daily Journal's* story.

WTO Decision Favors Steptoe's Client

In April 2006, Steptoe scored a big victory in the WTO Appellate Body. The team, acting on behalf of Corus, advised the European Communities (EC) on their legal strategy. In its report, the WTO Appellate Body ruled for the first time that zeroing in average-to-average price comparisons in investigations was WTO-inconsistent "as such" (i.e., in every instance). In addition, the Appellate Body ruled, also for the first time, that the zeroing prohibition applies to assessment proceedings conducted within administrative reviews. While the Appellate Body's decision only applied to the challenged administrative reviews, language in the decision strongly suggests that the Appellate Body will apply the zeroing prohibition to most, if not all, assessment proceedings. Steptoe plans to continue to work closely with Corus and the EC on the implementation phase of the zeroing decision. The team was led by **Dick Cunningham** and assisted by **Joel Kaufman, Matt Frumin,** and **William Isasi.**

NEW FACES



Roger Nober was recently elected to partner in the Washington office, where he is a member of the

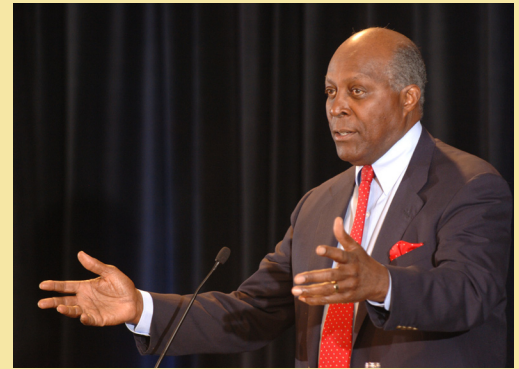
Transportation group, bringing with him over a dozen years of legislative, regulatory, and policy-making experience in the transportation sector. Mr. Nober was appointed by President George W. Bush to chair the Surface Transportation Board between 2002 and 2006. He also served as counselor to the Deputy Secretary of Transportation, where he advised the secretary and the deputy secretary on significant issues before the department. Mr. Nober was awarded his J.D. from Harvard Law School.

VERNON JORDAN, KEYNOTE SPEAKER AT ATTORNEY RETREAT

More than 300 attorneys from all six of Steptoe's offices gathered in Washington from April 27-29, 2006 for an all-attorney retreat.

The weekend was highlighted by a keynote address from Vernon Jordan on "Diversity in the Worlds of Business and Law." Mr. Jordan is currently the senior managing director of Lazard Freres & Co. LLC in New York. Prior to this position he was executive director of the United Negro College Fund, Inc., and president and CEO of the National Urban League.

The retreat program included a presentation by **Roger Warin** and other Executive



Vernon Jordan engaging the attorneys on diversity issues.

Committee members on the firm's strategic direction, a session on the accomplishments of the Pro Bono Committee, and reports from each of the offices.

During the retreat weekend, the newly-formed MAS Group (Multicultural Attorneys at Steptoe) and the Women's Forum also hosted networking events for the firm's attorneys.

STEPTOE, GARTEN ROTHKOPF ANNOUNCE STRATEGIC ALLIANCE SUPPORTING INTERNATIONAL BUSINESSES

In October 2005 Steptoe announced a strategic alliance with Garten Rothkopf, a Washington- and New York-based international business advisory firm that now occupies space in Steptoe's Washington and New York offices. This new alliance allows the firm to offer clients expedited access to a range of specialized skills and resources focused on the world's fastest growing and most challenging markets, while at the same time affording the clients of Garten Rothkopf with ready and complete access to the full range of legal services available from a global firm.

Garten Rothkopf's principals are chairman Jeffrey E. Garten and president David J. Rothkopf. Most recently,

Dr. Garten served as dean of the Yale School of Management. Previously, he was Under Secretary of Commerce for International Trade in the Clinton administration, a senior investment banker at the Blackstone Group and Lehman Brothers, and an official in three other US presidential administrations. Mr. Rothkopf has been chairman and CEO of Intellibrige Corporation, a provider of international intelligence to the government and business communities; managing director of Kissinger Associates, the consultancy headed by former Secretary of State Henry Kissinger; Deputy Under Secretary of Commerce for International Trade Policy; and chairman and CEO of International Media Partners.

PRO BONO SUCCESSSES

Step toe handled over 350 different pro bono matters last year, with varying levels of activity. They ranged from helping foster families adopt children who had been the victims of abuse and neglect, to working with low-income tenants to purchase their apartments, to representing refugees seeking asylum, to preparing briefs for the Supreme Court, to drafting tax legislation for the benefit of elderly residents, to helping persons with disabilities and AIDS obtain social security benefits, to representing two death-row inmates in post-conviction proceedings, to representing plaintiffs in race and disability cases, to assisting not-for-profit organizations with tax, corporate, and intellectual property issues . . . and the list goes on.

Case Victories

John O'Connor and **Michael Pass** obtained an excellent result on behalf of a client in a challenge to the DC government's practice, subsequently improved, of conducting "sweeps" of areas around the city populated by homeless persons and disposing of their property without providing the owners any opportunity to reclaim it.

The DC government agreed to settle the claim for an amount well in excess of the value of the property that had been confiscated from Step toe's client. Another positive outcome of the case was that the DC government had a policy that effectively allowed it to dodge service by certified mail simply by having certified mail opened by persons other than those authorized to accept service on behalf

of the city. This case served as the impetus behind the District's decision to abandon the practice.



David Bodney coauthored an *amicus curiae* brief on behalf of the Open Society Justice Initiative in the case of *Romanenko v. Russia* in the European Court of Human Rights. In *Romanenko*, a Russian public official and government agency had sued three Russian journalists for defamation over statements critical of the agency that appeared in an independent weekly newspaper. Though the journalists asserted their article was not about the government agency, the Russian court entered judgments against them, and ordered the reporters to pay damages and issue a correction.

The brief pointed the court to a host of decisions in Anglo-American jurisprudence—notably, *New York Times Co. v. Sullivan*—to show that speech about public offices and government agencies is entitled to considerable breathing room as a constitutional matter. Recently, the European Court granted the journalists' application to hear the case, and its published opinion specifically cited the amicus brief and approvingly noted its "comments on the legal principles applicable to the instant case."

WHERE ARE THEY NOW?



Olin Wethington was recently named chairman of AIG Companies in

China. In this new position, he will oversee expansion of AIG's business interests in China. Mr. Wethington comes to this position from his post in the US Department of the Treasury as Special Envoy to China. He is also a former Steptoe partner where he focused on corporate and financial transactions and international trade. Mr. Wethington's tenure at Steptoe spanned four decades, from 1977 to 1981, 1985 to 1990, and 1993 to 2003.



Jerome Holmes was recently nominated by President George W. Bush to be a judge on the US Court

of Appeals for the 10th Circuit. Mr. Holmes is a former associate at Steptoe. He worked in the Washington office from 1991 to 1994.



Ronald Cooper has been nominated by President George W. Bush to be general counsel of the

Equal Employment Opportunity Commission. The nomination is subject to Senate confirmation. Mr. Cooper's tenure at Steptoe spans over 30 years and his practice focuses on employment litigation. He also currently serves as the employer co-chair of the International Labor Law Committee of the American Bar Association's Section of Labor and Employment Law, and as General Counsel of the Boys & Girls Clubs of Greater Washington.



Tomoko Miyagawa rejoined Asahi Glass Company in Japan. While at Steptoe, Ms. Miyagawa was a foreign legal consultant in the International Department from 2005 - 2006, focusing on international trade.



Marcia Mitnick joined ZeniMax Media, Inc., as deputy general counsel. ZeniMax creates and publishes original interactive entertainment content for consoles, personal computers, and handheld/wireless devices.

Prior to joining ZeniMax, Ms. Mitnick was special counsel in Steptoe's Corporate Transactions group from 1997 to 2006.



Kevin Gover, formerly a partner in the Washington office from 2001 to 2003, has been selected by the Osage Nation to serve as arbitrator in its dispute with the state of Oklahoma over the tribe's 2003 compact. Dr. Gover is also an Arizona State University College of Law professor and serves as an associate judge on both the Tonto Apache Tribal Court of Appeals and the San Carlos Apache Tribal Court of Appeals.



Sharon Davies is a tenured professor at Ohio State University where her primary research focuses on criminal law and procedure. A former associate at Steptoe from 1987 to 1988, Professor Davies served for five years as an Assistant US Attorney in the Criminal Division of the US Attorney's Office in the Southern District of New York.

STEPTOE EXPANDS COMPLEX LITIGATION AND DISCOVERY CENTER

Established in 2003, Steptoe's Complex Litigation and Discovery Center now has over 100 attorneys and legal assistants engaged in complex litigations and large-scale discovery endeavors.

Lawyers at the center have represented clients in litigation involving asbestos, automobile components, radio frequency devices, silica, welding products, window-covering cords, wood preservatives, and other products. For these matters, the center manages over 50,000 separate cases nationwide, every day receiving about 50 new complaints and processing 20,000 incoming pages.

In 2005, the center filed over 5,000 dispositive motions and negotiated the settlement of over 17,000 cases.

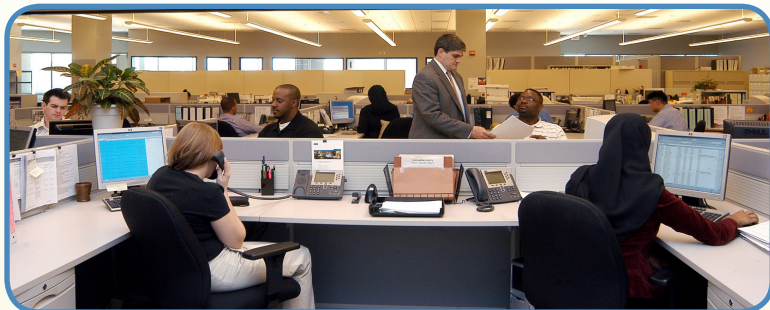
The center also has attorneys, legal assistants, and clerical employees specifically trained to handle the review and production of large document populations, offering services such as: performing responsiveness and privilege reviews of electronic, printed, scanned, microfilm, and OCR'd documents, including the creation of privilege logs and the logging of work completed; producing relevant documents in electronic or hard-copy format or through the center's web repository; supporting due-diligence reviews; advising for the design of Sarbanes-Oxley-auditable systems; advising on Hart-Scott-Rodino Review Second Request compliance; supporting internal investigation document functions; and offering audits and assessments support. The center has provided these services in antitrust, bankruptcy, ERISA,

intellectual property, money laundering, RICO, securities, white-collar crime, and other matters.

For quality control, the Center is audited annually pursuant to Sarbanes-Oxley SAS-70 Type II standards, and maintains secure, multi-terabyte storage servers to handle large databases, electronic documents, and images of paper documents.

Steptoe's Complex Litigation and Discovery Center is a 22,000 square foot facility located in Rockville, Maryland, just outside of Washington, DC.

For more information on the center's services and capabilities, please contact **José González-Magaz** at (202)429-8110 or jrgonzalez@steptoe.com.



STEPTOE IN THE NEWS

Phoenix attorneys **David Bodney**, **Patrick Derdenger**, **James Derouin**, **Monica Goebel**, **Lawrence Katz**, and **Nancy White** were listed in "Ranking Arizona: The Best of Arizona Business 2006," from *The Best Lawyers in America 2006*.



The February 20, 2006, issue of *Legal Times* named Washington partner **Reid Weingarten** as one of the 10 best defense attorneys in the article "White Collar Criminal Defense: If You're in the Worst Trouble...Here are 10 of the Best Defense Attorneys to Call."



Michael Vatis was elected to partner in Steptoe's New York Office. Mr. Vatis is a member of the firm's Technology group. His practice focuses on Supreme Court and appellate litigation, and counseling clients on Internet, technology, and national security matters.



On December 12, 2005, Washington partner **John E. Nolan** was awarded the Segal-Tweed Founders Award by the Lawyers' Committee for Civil Rights Under Law. The annual awards ceremony honors committee members who have advanced the committee's mission to secure, through the rule of law, equal justice under law.

Matthew Parry, an associate in the Phoenix office, currently holds the world record in the wheelchair 100-meter (T-53 division) with a time of 14.78 seconds. He has been an elite wheelchair athlete for more than 15 years. His story was featured in the May 9, 2006, edition of the *Arizona Business Gazette*.



Lawrence Riff, **Ruth Kahn**, and **Kevin Mayer**, partners in the Los Angeles office, have been named as "Southern California Super Lawyers" in the field of mass torts by *Los Angeles Law and Politics* and *Los Angeles Magazine*.



David Roll was named managing director of the Lex Mundi Pro Bono Foundation. The new foundation will match Lex Mundi law firms and lawyers with carefully selected pro bono legal projects around the world.



Steptoe is listed in the March 2006 *Workforce Management's* Hot List of "Top Employment Law Firms," ranked by number of attorneys dedicated to employment/labor law.

Key labor and employment clients include Allied Waste Industries, Albertson's, Deutsche Bank Securities, Wal-Mart Stores, and Honeywell International.

Chambers and Partners Ltd. recognized 11 Steptoe partners practicing in five fields in the 2006 edition of Chambers Global - The World's Leading Lawyers for Business. (*Results of Chambers USA 2006 will be reported in our next issue.*)

GLOBAL: WTO/International Trade Practice ranked. Energy: Electricity (**Douglas Green**, **David Raskin**, **Richard Roberts**); Energy: Oil & Gas (**Steven Brose**, **Steven Reed**); Tax (**Mark Silverman**); International Tax (**Philip West**); and WTO/International Trade (**Richard Cunningham**, **Susan Esserman**, **George Grandison**, **Mark Moran**).

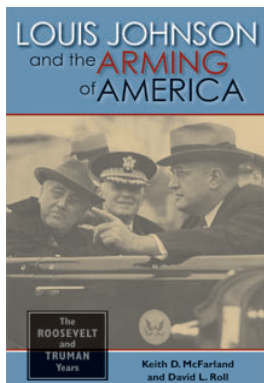


Kevin Mayer, **Jeffrey McFadden**, and **Ana Elizabeth Holmes** were awarded the prestigious Burton Award for their article "Debunking the Expansion of Defendants Theory," which was originally published in *Industrywide Litigation*. The Burton Awards are a national awards program that are run in association with the Library of Congress and its Law Library.

IN MEMORIAM

It is with great sadness that the firm notes the passing of Ann D. Wallick, 78, widow of **Robert Wallick**. Mr. Wallick was a partner at the firm from 1963 until 2004 and chair of the firm from 1991 to 1992. The family has asked that in lieu of flowers, contributions be made in Mrs. Wallick's memory to the Corcoran Gallery of Art, 500 17th Street NW, Washington, DC 20006.

AUTHORS IN OUR MIDST



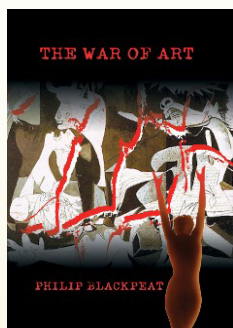
Louis Johnson and the Arming of America: The Roosevelt and Truman Years

(Indiana University Press, 2005)

David Roll coauthored this political biography of Louis Johnson, who founded Steptoe's Washington office in 1945 and co-founded the law firm of Steptoe & Johnson in West Virginia in 1913 (now a separate entity). Louis Johnson served as Harry Truman's second Secretary of

Defense, and his 20-year public career spanned the tumultuous Roosevelt-Truman era. The book provides insight into how Johnson, both as Franklin Delano Roosevelt's chief war planner and Truman's Secretary of Defense, managed the complex defense process shared by the Department of State, Department of Defense, and Congress.

Mr. Roll is a senior partner at Steptoe and managing director of the Lex Mundi Pro Bono Foundation. As author of the Johnson political biography, he has been featured on C-SPAN Book TV and PBS; at the Woodrow Wilson International Center for Scholars and the Eisenhower Institute; and in the *Arizona Republic*, *Legal Times*, *Publishers Weekly*, *Washington Times*, and *Washington Lawyer* magazine.



The War of Art

(iUniverse, Inc., 2005)

Philip Blackpeat authored this legal thriller, which combines political conspiracy and art world mystery. *The War of Art* centers on a painting by 20th century master Pablo Picasso that has been vandalized and holds a mysterious and potentially deadly secret. In the book, a Washington

lawyer is summoned by an enigmatic and extraordinarily wealthy art collector to decipher the puzzle of the vandalism.

Most Steptoe alumni think they do not know Mr. Blackpeat, but many of you do. Mr. Blackpeat is the *nom de plume* of a Steptoe partner. Further inquiries about his identity will be discreetly entertained.