

GROOM LAW GROUP

LEGAL 500 US 2008

Employee Benefits

PRACTICE: Groom Law Group is one of the more unusual beasts that roam the jungle of employee benefits, for the 60 lawyers that constitute this Washington, DC boutique are wholly focused on this area. While the firm's executive compensation capability is hampered by a lack of a corporate practice, the technical brilliance of the benefits team leaves competitors trailing.

The one area that the firm cannot be matched is in its wondrous substantive skills; indeed, clients are quick to identify the *'deep expertise in employee benefits'* and the *'professionalism of the high-caliber partners and lawyers'* as defining traits of the firm. Not only does the firm find solace in the forbidding wastes of the legislation, but it also has a highly respected advisory practice, which leads clients to consider the team *'true business partners'* that can be praised for its *'strategic thinking, as well as its policy thinking'*. The firm can also be counted on to *'tell the truth when others might find it difficult'*.

The firm's office in Washington, DC attracts swathes of former government workers to join its ranks, which affords the firm a privileged position with government agencies and keeps it at the forefront of legislative developments. The list of regulatory heavyweights at the firm include the former tax and pension counsel to the Treasury Department and the Senate Finance Committee, the former tax counsel to the House Ways and Means Committee, as well as the chief legislative liaison for the Department of Labor.

Groom Law Group is accordingly granted a generous reception from the full spectrum of government agencies, which hold the firm in good stead for lobbying purposes. On the legislative front, the firm represented a variety of major clients to obtain favourable resolution of pension funding and other issues in connection with provisions of the Pension Protection Act 2006.

Another very useful outcome of this wealth of experience is a unique command of the minutiae of the legislation. Fortunately for Groom Law Group, the past few years has seen an unprecedented amount of changes to legislation in this area, which makes the firm's deep knowledge an invaluable asset.

As employee benefits encompass a wide range of issues, the firm is built around eight pillars of expertise, namely: fiduciary responsibility, health and welfare plans, plan design and taxation, plan funding and restructuring, lobbying and public and multi-employer plans. This year the firm teamed up with in-house counsel and HR staff at several Fortune 200 companies to completely redesign their retirement and health benefits to be more cost-effective and to meet changing workplace needs.

CLIENTS: Groom Law Group has a broad set of clients that includes corporate plan sponsors such as Campbell Soup, CBS, Delphi Automotive Systems, Dow Chemical, Pfizer and Viacom. The firm also advises financial services entities in their roles as benefit-plan service providers, including Morgan Stanley, Prudential Financial and Wachovia. The group also represents multi-

employer organizations, including the National Football League Players Association, the American Benefits Council, California State Teachers Retirement System and Ohio Public Employees Retirement System.

INDIVIDUALS : [Gary Ford](#), former general counsel to the Pension Benefit Guaranty Corporation, is experienced in plan funds and restructuring. He strikes clients as *'a superb lawyer'* who is *'encyclopaedically knowledgeable about employee benefits'*. Other attributes that clients link to him include his *'strategic thinking'*, his *'sage advice'*, and his soft skills - *'he has a wonderful sense of humour and remains calm in a storm'*, says one client. He furthermore *'works well with others, and is extremely persuasive'*. One client notes that *'we always feel we are in safe hands'*.

[Steve Saxon](#) is another major player in the field. One client describes him as a *'highly skilled professional'* who *'provides thoughtful advice'* and who *'works extremely well with the federal employee benefit regulators'*.

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ERISA Litigation

PRACTICE : Washington, DC boutique Groom Law Group undoubtedly cut its teeth on the advisory end of ERISA. That said, the 15-litigator team is fairly active in ERISA litigation, and offers unrivalled technical expertise in what is a huge growth area. While the intricacy of ERISA tends to turn away most general litigators, Groom Law Group is able to field a team that straddles both technical and litigious expertise.

Clients confess to having '*great confidence in the skill and work ethic of all attorneys*' in the team, not least because '*the quality of work has always been of the highest caliber*'. It lawyers furthermore '*know their business, and consistently provide great advice*', say clients. The firm's '*professionalism*' is one of the most sought-after aspects of the firm's service, one client noting that '*they have worked harder and longer than attorneys in a New York law firm*'.

The perennial trio of 401(k) fiduciary claims, cash-balance and stock employer cases have been a mainstay for the firm this year. Other areas that the firm handles with aplomb include Department of Labor investigations, disputes related to rabbi trusts, top-hat plans and other compensation arrangements, withdrawal liability litigation and pre-emption ERISA controversies.

Groom Law Group is currently working on a number of employer stock cases. In *Hastings v Wilson* the team was successful in ensuring that the motion to dismiss the complaint against alleged fiduciaries of Northwest Airlines was granted, although an appeal is pending. The firm has also worked on some revenue-sharing class actions this year, including *Spano v The Boeing Co*, in which the motion to dismiss the amended complaint is pending before the district court.

In another major case this year, the firm represented an insurance company in a nation-wide class action alleging ERISA-based benefit rights under a non-qualified plan that was created for non-employee insurance agents. The case settled before trial.

CLIENTS : Groom Law Group's clients include Mellon Financial, United Health Group, Northwest Airlines, Pfizer, New York Life Insurance Company, Watson Wyatt, Wachovia Bank, Boeing, Delphi Automotive Systems and Prudential Insurance Company of America.

INDIVIDUALS : [Mike Prame](#) chairs the litigation practice, attracting impressed clients with his '*subject-matter knowledge, sophistication of legal analysis and professionalism in handling relationships with the court, the parties and their fellow lawyers*'. Another important member of the team is [Christopher Rillo](#) .

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Executive Compensation

PRACTICE : *'It's like apple and oranges'* reflects one client on the difference between Groom Law Group and most other executive compensation practices. In addition to the bank of ongoing executives, compensation committees and senior management that need advice on compensation issues, all other firms have some form of a corporate practice, and are therefore exposed to deal-related compensation matters.

Groom Law Group has no corporate practice whatsoever, however, which arguably leaves the firm with a large hole compared to other firms in this table. However, it would be wrong to dismiss the firm out of hand, because in terms of technical expertise and influence with governmental agencies, the firm ranks alongside the best firms in the area.

The firm balances its time between representing stand-alone clients, and getting drafted in as special counsel to tackle the more esoteric end of the regulatory minefield in corporate transactions. This year, for example, the firm represented two prominent public companies in addressing major tax exposure raised by IRS examinations of alleged stock-option backdating. The firm also assisted a major Nasdaq company in establishing new equity and executive compensation arrangements, an innovative director stock-compensation plan and a new broad-based employee stock-purchase plan.

CLIENTS : Groom Law Group's clients include Blue Cross Blue Shield Association, Campbell Soup Company, CBS, Dow Chemical, Eli Lilly, Hess, Morgan Stanley, National Football League Players Association, Northwest Airlines, Owens Corning, Pfizer, Prudential Financial, Viacom and Wachovia.

INDIVIDUALS : **John McGuiness** is the head of the executive compensation practice, and works extensively on the design and implementation of non-qualified plans and equity compensation schemes. He also has considerable experience in tax law and other regulatory issues.

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Tax: Employee Benefits

PRACTICE : Groom Law Group serves a substantial but tightly defined part of the pensions and benefits sector, its clientele comprising corporate-plan sponsors, benefit-plan service providers, and non-profit organizations. This Washington, DC employee benefits boutique draws many of its attorneys from mid-rank and senior positions in the government.

Although its practice is not as far-reaching as those of larger outfits, there is arguably no other firm that has the capacity to partition their benefits practice into eight groups, of which this section concentrates on just one - the plan design and taxation team. Groom Law Group is highly praised, not least for its ability to use its *'practical understanding of the courts and regulators'* to find *'imaginative solutions to problems that save time and money'* - *'they get results'*.

In recent times the ten-strong plan design and taxation team has won regulatory approval for a \$10bn stock and cash contribution to an automobile company's pension plan - the largest transaction of its kind in history. The firm also managed the benefits issues arising in the context of several large airline restructurings, and negotiated mass withdrawals and satisfactions of withdrawal liability, contribution liability, accumulated funding deficiency and excise taxes for a number of multi-employer plans on the verge of insolvency.

CLIENTS : Groom Law Group's clients include American Airlines, the Campbell Soup Company, CBS Viacom, Dow Chemical, Microsoft, Owens Corning, Pfizer, Target, New York Life Insurance Company, John Hancock and Prudential Insurance.

INDIVIDUALS : [Louis Mazawey](#) is an immensely experienced benefits practitioner who brings tax expertise to an encyclopaedic knowledge of the field; Mazawey is rated particularly highly for his expertise in retirement and deferred-benefit planning.

[David Levine](#) is commended for his skills in combining a clutch of funds into one entity, *'it was like watching someone solve a Rubik's cube - every solution made another problem, then suddenly, it was there'*. [Mark Lofgren](#) meanwhile specializes in designing tax-efficient employee benefit plans. Described as *'very responsive, and very smart'*, Lofgren acts for a number of Fortune 500 corporates on benefits issues.