

# King & Spalding LLP

*Growing with Our Clients Since 1885*

*WALTER W. DRIVER, JR.*



A Newcomen Address



The Newcomen Society of the United States is a tax-exempt, educational foundation founded in 1923 for the study and recognition of achievement in American business and the society it serves. The Society's headquarters are located in Exton, Pennsylvania, 30 miles west of Center City, Philadelphia. National membership is comprised of many of the nation's top leaders in business, industry, education, the professions, government and the military.

The purposes of The Newcomen Society are to:

- Preserve, protect and promote the American free enterprise system.
- Honor corporate entities and other organizations which contribute to or are examples of success attained under free enterprise, and to recognize contributions to that system.
- Publish and record the histories and achievements of such enterprises and organizations.
- Encourage and stimulate original research and writing in the field of business history through a program of academic awards, grants and fellowships.

The Society's name perpetuates the life and work of Thomas Newcomen (1663-1729), the British pioneer whose invention of the atmospheric steam engine in 1712 led to the first practical use of such a device to lift water out of mines. The resulting tremendous increase in mine productivity (the engine replaced the work of 50 mules and 20 men working around the clock) facilitated the birth of the industrial revolution. Indeed, Newcomen is frequently referred to as the "father of the industrial revolution" — its first entrepreneur. The Newcomen engines remained in use from 1712 to 1775, and helped pave the way for advancements 50 years later by the world-famous James Watt of Scotland, whose innovations led to widespread use of steam power in factories and in transportation.

Since its founding, The Newcomen Society has honored more than 2,500 organizations and institutions. The Society publishes the histories of the organizations it recognizes, usually following luncheons or dinners hosted by one of many volunteer committees organized throughout the U.S. These histories are distributed to Society members, as well as 3,300 public and private libraries for permanent archival storage in the support of the study of business history.

Newcomen Society Honorees are selected by the Board of Trustees from nominations received from the volunteer committees. Meetings are held each year in all parts of the country. Members and their guests, as well as guests of the Honorees, are invited to attend these historic events.

The Society maintains several awards in the field of business history: the Newcomen-Harvard Postdoctoral Fellowship, the Newcomen-Harvard Book Award and Article Awards in Business History, the Dissertation Fellowship in Business and American Culture, and the Newcomen Prize awarded by the Business History Conference.



*This address, dealing with the history of  
King & Spalding LLP, was delivered at a  
“2004 Georgia Meeting” of The Newcomen  
Society of the United States held in Atlanta,  
Georgia, when King & Spalding Chairman  
Walter W. Driver, Jr. was guest  
of honor and speaker, on  
November 11<sup>th</sup>, 2004.*

“To best serve our clients, we have to listen, learn their business objectives and become contributors to their success.”

— WALTER W. DRIVER, JR.



# King & Spalding LLP

*Growing with Our Clients Since 1885*

*WALTER W. DRIVER, JR.*

GUEST OF HONOR & SPEAKER  
MEMBER OF THE NEWCOMEN SOCIETY  
CHAIRMAN  
KING & SPALDING LLP  
ATLANTA, GEORGIA



THE NEWCOMEN SOCIETY OF THE UNITED STATES

EXTON

2004

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INTRODUCTION OF MR. WALTER W. DRIVER, JR. BY MR. L.  
PHILLIP HUMANN, CHAIRMAN OF THE BOARD, PRESIDENT  
AND CHIEF EXECUTIVE OFFICER, SUNTRUST BANKS, INC.

*Members of Newcomen and guests:*

GOOD EVENING and welcome. I am honored to introduce tonight's speaker, Walt Driver, my close friend and my longtime legal adviser. Walt's advice to me tonight was to be brief and to that counsel I shall try to adhere. Walt also advised that I focus my introductory remarks on King & Spalding rather than on him. I'm sure this won't be the first time that a client has not followed the firm's advice.

SunTrust traces our origins to 1891 here in downtown Atlanta, just six years after King & Spalding was founded. In fact, two weeks from tonight marks the 75<sup>th</sup> anniversary in 1929 of our merger with the Lowry National Bank and the Fourth National Bank to form the First National Bank of Atlanta, which at the time was the largest financial institution south of Philadelphia. The merger was not a happy one, particularly for our bank, which was then called the Trust Company of Georgia. However, our executives had the good fortune of observing the skills of a fine lawyer who handled the merger and then served on the board of the new bank. His name was Hughes Spalding, who had just recently taken over as managing partner of your law firm after the retirement of his father, Jack Spalding. Four years later, when the 1933 Banking Act provided an opportunity for our banks to separate, we hired Mr. Spalding to represent our interests and a wonderful relationship began. Not only did Mr. Spalding help Trust Company reestablish itself as an independent banking force, but when we decided to move our offices from the First National Bank building back to the vacant Trust Company Building at Pryor and Edgewood, Mr. Spalding agreed to move the law firm's offices there too. The histories of our two firms are much entwined, and I'm sure you will hear several more stories about that from our next speaker.

I first met Walt Driver 30 years ago, when we began working together on problem loans. I recognized right away that he was a fine lawyer, but

the personal interest he took in my family and me has cemented our relationship even further. I've hosted events for his family, and he and his lovely wife, Bettie, have done the same for my family. I imagine this same level of personal and professional care for clients is repeated throughout King & Spalding and this, I submit, is part of the secret of your success. This firm is replete not just with brilliant lawyers, but also with engaging men and women with whom you want to do business.

Let me tell you a little about Walt Driver. He is a native of El Paso, Texas, a graduate of Stanford and the University of Texas School of Law. He joined the firm in 1970 and became a partner in 1976. He not only served as the relationship partner for Trust Company and SunTrust, he also chaired the financial services practice area for King & Spalding. He served for eight years as Chairman of the Policy Committee and has been Managing Partner or Chairman since 1999. Under his leadership, King & Spalding has grown from approximately 275 attorneys to more than 800, added offices in Houston and London and increased revenues more than 500 percent to over 500 million dollars.

Perhaps the most famous, or possibly infamous, of his many community service roles has been to serve as Vice President of the United States Golf Association and as Chairman of its Championship Committee. You may have seen Walt on television throughout the 104<sup>th</sup> U.S. Open at Shinnecock Hills in Southampton, New York this past June. It was a controversial week, to say the least. Walt and the Committee were roasted by sportswriters and players, who tried to blame Walt for everything from the rolling of the seventh green to the 50 mile-per-hour winds.

As he has always done, Walt came prepared to defend his case with knowledge, research and even a great historical quote from a former USGA president, who said, "We are not trying to humiliate the best players in the world, we are trying to identify them."

Ladies and Gentlemen, I am not here to humiliate one of the best lawyers in the world, but merely to introduce him. Please welcome my good friend, my golfing partner and our trusted lawyer, Walt Driver.



*Fellow members of Newcomen and guests:*

IT IS AN HONOR to be introduced by Phil, whom I've known for 30 years. In our early days, we spent many weekends camped out in one of our offices, working on various transactions for SunTrust. Our families used to wonder what could possibly be taking up so much of our weekend time. These days, our families still wonder why we disappear for long stretches on weekends. We're still negotiating transactions, but the work is more pleasant, and mostly involves Phil negotiating for more strokes on the first tee.

I thank all of you for joining us tonight for cocktails and dinner. We were very honored when The Newcomen Society, which for over 80 years has studied and recognized achievements in American business, approached King & Spalding about presenting the history of its business and receiving a Newcomen Award. I am very pleased you are all here to share it with us.

King & Spalding has a proud history spanning nearly 120 years. Since the time it was formed by Alex King and Jack Spalding as a two-man partnership in 1885, our firm has grown substantially. As Phil noted, we are now located in five cities, have an international presence, employ more than 800 lawyers, and represent two-thirds of the *Fortune* 100 companies.



WALTER W. DRIVER, JR.  
CHAIRMAN OF THE FIRM

It is an interesting story — how we got from there to here — one I will lay out in some detail shortly. But I want to emphasize that the keys to our success and expansion can be quickly and simply summed up — we have grown as our clients have grown. Our expansion — in expertise, depth, size and geography — is based upon our building strategic relationships with our clients, understanding not just their legal needs but also their business goals, and by adapting and growing in ways that help them achieve those goals.

This is the story of King & Spalding — a story that, you will see, is just as much a story about our clients as it is about us.

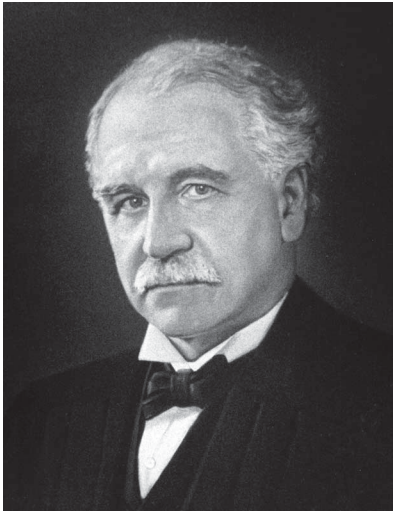
### MODEST BEGINNINGS FOR A TWO-PERSON TEAM

The story begins with Alex King and Jack Spalding, both born in 1856, who met in Atlanta and formed a partnership here on January 1, 1885.

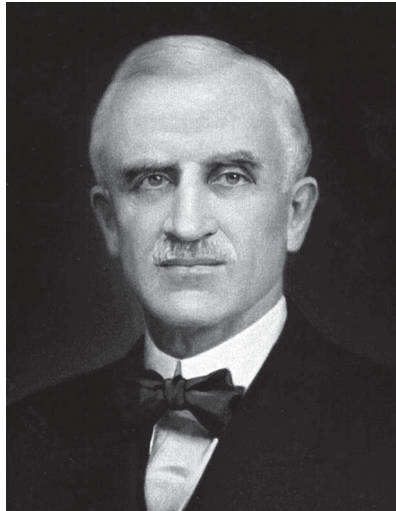
Alexander King was a scholar, a brilliant academic and a walking encyclopedia of the law. In fact, when times were slow he elected to sit down and employ his photographic memory by memorizing all 59 volumes of the Georgia Reports. Yet, although he possessed a sponge-like mind and brilliant legal capabilities, he was timid and retiring, which inhibited his ability to attract clients.

Jack Spalding, on the other hand, was a people person, a gregarious businessman and an adept negotiator. He preferred to be the one to interview clients, and then later consult with Alex, who could instantly recall the exact page number and location of applicable law. These two men complemented each other perfectly and set an example of teamwork and scholarship that continues in our partnership to this day.

When King & Spalding set up our first office at 6½ Whitehall Street, now called Peachtree Street — and I have no idea how small



ALEXANDER CAMPBELL KING



JACK JOHNSON SPALDING

it must have been to be at “6½,” maybe a door at street level and a walk up — the building had no steam heat or facilities, so Alex King and Jack Spalding took turns coming in early to start the fire and bring in a bucket of drinking water. Their financial arrangement was simple: They placed legal fees in a drawer and split their collections before going home at night. Compensation of partners, as we all know, has become slightly more complicated since then.

King & Spalding’s legal work in its first 30 or so years focused on serving railroad, water and electrical clients as these entities began to merge and consolidate with other companies in their respective industries. In 1911, for example, the firm took a fee of one million dollars worth of stock for advising on the consolidation of a new company, later known as the Georgia Power Company.

At this point in its history, the firm was still just a two-person partnership. Several years later, though, that would change as the firm took on a client that would stimulate significant growth in our firm, a client that we continue to have a close, productive relationship with to this day — The Coca-Cola Company.

### **COCA-COLA FUELS FIRM’S INITIAL GROWTH**

The Coca-Cola Company was started just a few blocks from here when its product was poured for the first time at the corner of Peachtree and Marietta Streets, one year after King & Spalding was founded. Asa Candler purchased The Coca-Cola Company two years later and proved to be a business and advertising genius; however, he believed the drink was best served from the fountain. He did not agree that the drink could be bottled and enjoyed later, a concept that two entrepreneurs from Chattanooga, who also happened to be lawyers, aggressively pushed.

Candler was skeptical that bottling Coke would succeed, but he finally signed a contract for bottling the beverage that was destined to become one of the most important business documents in history. His final comment was: “If you boys fail in the undertaking, don’t come back to cry on my shoulder, because I have very little confidence in the bottling business.”

In 1919, Ernest Woodruff bought the company from Asa Candler and determined he could cancel the bottlers’ contract that had been



THE KISER LAW BUILDING, WHERE THE FIRM HAD OFFICES IN 1891, WAS AT THE NORTHWEST CORNER OF PRYOR AND HUNTER (NOW MARTIN LUTHER KING DR.) STREETS.

signed 20 years before. The bottlers were incensed at Woodruff's action and hired King & Spalding to file suit *against* The Coca-Cola Company. John Sibley, who had joined King & Spalding in 1918, became the lead counsel for the bottlers and promptly won a ruling in their favor. On appeal, the presiding judge called in the lawyers from both sides and said they best settle, because whichever side he ruled against would face certain financial ruin. Jack Spalding was called in to negotiate a settlement between the two parties, which he did.

The story goes that when he was elected the new president of Coca-Cola, Robert Woodruff, Ernest's son, said, "I don't want to see that son of a bitch John Sibley on the other side ever again." And that is how we got hired by Coca-Cola.

After Jack Spalding's retirement and later his death in 1938, his son Hughes Spalding assumed management of the firm. Hughes' hiring



ROBERT W. WOODRUFF

had not been easy. When he first applied for a job with King & Spalding in 1912, his father told him the firm was looking for lawyers, not sons. Hughes went to work elsewhere to prove his worth. Hughes became even more involved in the affairs of the city and state, spending much of his time negotiating on behalf of clients at the state capitol.

Now, I would like to focus on five examples of our working for The Coca-Cola Company that I think appropriately illustrate the

wide range of work we have done on the company's behalf over the years.

One challenge concerned the intangible tax law that chased many businesses out of state, including The Coca-Cola Company, which had moved to Delaware. Hughes Spalding launched a lengthy public relations campaign to change the law. He engaged a writer to fill the state's 87 daily and weekly newspapers with two different columns. The column opposing reform was filled with exclamation points, bold type, italics and strident language. The other, written by the same man but under a pen name, was more gentle and logical in tone. I guess you could say it was "*fair and balanced.*" These columns ran for months while Hughes worked the legislature. Eventually, the state's editors began to adopt his position. Finally after a four-year effort, the intangible tax was relaxed and later a 3 percent sales tax was substituted. The Coca-Cola Company, which had hired John Sibley as its general counsel and moved him and its



JOHN A. SIBLEY

headquarters to Delaware, returned to Atlanta for good. Other firms followed. After working on this campaign for years, Hughes Spalding wrote Robert Woodruff, “as a friend, please don’t give me any more jobs that can’t be wound up in a day or two.” Fortunately for us, Mr. Woodruff didn’t listen to Hughes. I am told that Hughes once said, “The political history of Georgia is written in my checkbook.”



HUGHES SPALDING

John Sibley’s son, Jimmy (here tonight), started with King & Spalding in 1942 and served as our relationship partner with both Coca-Cola and the Trust Company of Georgia — as SunTrust was then known — until his retirement in 1992, and as a long-time director for both companies. He recalls that the firm was on retainer with Coca-Cola and one day one of its administrative officers came and said, “We pay you a retainer to be on call, and we want to quit doing that.” Jimmy said, “Why don’t you keep paying it and just let us earn it by giving us more work?” The company gave us a lot more work.



JAMES M. SIBLEY

King & Spalding has worked with Coca-Cola on everything from legislative policy to acquisitions to the incorporation of its many family foundations. A second example of our working with Coca-Cola is from 1979, when King & Spalding opened its first out-of-state office in Washington, D.C., primarily because Coca-Cola asked us to represent it in food and drug issues there. Today, King & Spalding’s Washington, D.C. office has grown to 120 lawyers and continues to



THE FIRM OPENED ITS FIRST OUT-OF-STATE OFFICE IN WASHINGTON, D.C., IN 1979 TO HELP SERVE THE COCA-COLA COMPANY. BY 2004, THE OFFICE HAD 120 LAWYERS.

handle a significant amount of work for Coca-Cola and many other clients. It has built strong teams focusing on regulatory matters and complex litigation. Our Washington, D.C. office is also known for its skilled special matters and governmental investigations group, founded by Griffin Bell, and has earned recognition for its international trade capabilities.

Third, we represented The Coca-Cola Company in extremely contentious litigation regarding the rights of the Company to alter the pricing of concentrate based on sugar or fructose prices. This is obviously a key element to the profitability of concentrate sales.

Fourth, we represented the Company in connection with the acquisition of several large bottling interests and the formation of Coca-Cola Enterprises — now its largest domestic bottler and distributor.

Fifth, we represented the Company in its acquisition of carbonated brands from Cadbury Schweppes in Great Britain, Eastern Europe, Asia, South America and Africa, the worldwide nonalcoholic Seagrams beverage business, the distribution rights for Evian bottled water and a variety of beverage brands ranging from Barq's to Inca Kola as the Company expanded beyond its historical products and markets.

On a personal note, I remember in 1986 handling for Coke the closing of the Coca-Cola Enterprises deal in which, ironically, Coca-Cola purchased back many of those same bottlers that we had represented back in 1920 and then spun them off into Coca-Cola Enterprises. The deal carried a \$3.5 billion financing, the largest debt deal for us up to that time. I remember saying at the closing as I signed the legal opinion, “I sure hope this works.” I’m happy to say tonight that it definitely has.

So you see, we have grown with the Company as the relationships with its key bottlers have expanded and changed and as its product mix has grown.

Our former partners, John Sibley, Robert Troutman, Pope Brock, and Joe Gladden all served as General Counsel of Coca-Cola, and John Sibley and both our retired partners, Jimmy Sibley and Sam Nunn, served on the Board of Directors.

Today, Coke is still the most famous worldwide brand and if you are a lawyer and out in the world and say you are from Atlanta, the first question people ask is, “Do you represent Coke?” Being able to say “yes” is extremely important for our credibility in world markets.

## **TRANSACTIONAL WORK BRINGS EXPANDED OPPORTUNITIES IN MAJOR MONEY CENTERS**

Phil’s presence tonight and generally gracious behavior confirms that SunTrust Banks is another longtime, admired client. In the 1920s, our firm represented the Atlanta National Bank, which merged with the Trust Company of Georgia and the Lowry National Bank. As Phil noted, when federal banking laws changed, we handled Trust Company’s separation into its own entity and have represented it ever since. Tragedy struck the bank’s executive suite in 1946 when both its president and chairman were diagnosed with cancer and died within three months of each other. John Sibley, who had recently returned to King & Spalding from his position with Coca-Cola in Delaware, was reluctantly pressed into accepting *both* positions at the bank.

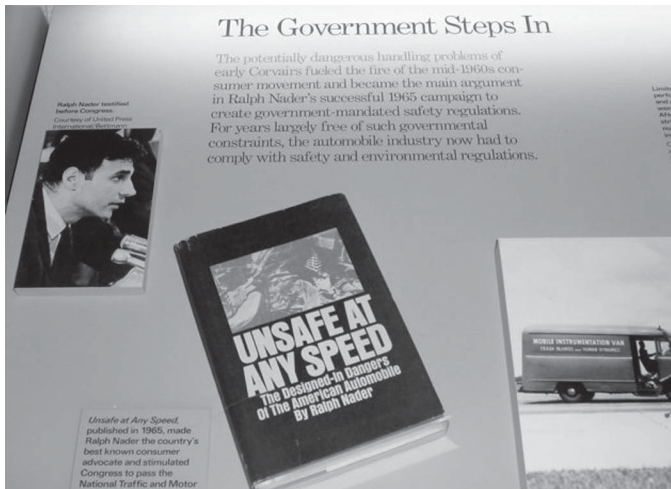
When Trust Company merged with Sun Banks and formed SunTrust in 1985, we handled that transaction and the significant merger transactions that followed: Third National in Tennessee, Crestar in Virginia and, most recently, National Commerce in

Tennessee and North Carolina. The Sun Banks merger impacted us beyond the transaction. It made us focus upon our future and led to a significant shift in how our law firm viewed itself. We were no longer an Atlanta law firm with a Washington, D.C. office. We, however, declined to become a Southeastern firm with offices in Orlando or Charlotte, and instead set our ambitions on becoming a national law firm headquartered in Atlanta that supported our clients outside of Georgia when their business took them there.

In 1998 when SunTrust was acquiring Crestar, SunTrust was advised by a New York investment firm to interview and retain a big New York-based law firm. I am pleased to report that they did not. The strength of our relationship with SunTrust — as well as my not-so-gentle prodding of Phil Humann — helped ensure that we were SunTrust’s firm of choice. We continue today as lead outside counsel for SunTrust.

### PRODUCTS LIABILITY WORK DRIVES GROWTH IN 1960S

General Motors is another client with which we have grown and adjusted as its needs have evolved. Our relationship with GM dates back to the 1960s. Hughes Spalding was in the Knights of the Malta (remember, we were viewed in those early days as a “Catholic” law firm) with the general counsel of GM, and through that relationship,



RALPH NADER’S BOOK ABOUT THE CORVAIR, “UNSAFE AT ANY SPEED,” PROMPTED NUMEROUS LAWSUITS AGAINST GENERAL MOTORS.



CHILTON D. VARNER

we were hired to handle workers compensation claims at GM's two plants in the Atlanta area.

Byron Attridge served as relationship partner to GM for many years. Our legal work for GM increased after one of Byron's classmates at Princeton, a fellow by the name of Ralph Nader, published a book called "Unsafe At Any Speed." The book, about the Corvair, prompted numerous lawsuits against GM on the issue of the car's design. King & Spalding

was selected as counsel and handled cases across the country, expanding to take on more of those cases as needed. GM became one of our largest clients, we have been one of their top five national law firms, and today products liability is one of our largest practice areas.

This expertise — fueled by GM's litigation, by the clients who followed and by runaway populist juries in the Southeast — has propelled us into a top national practice. Chilton Varner, who is widely recognized as one of the top litigators in the country, began her practice handling product liability work for GM, and she has expanded our product liability and mass tort practice to other categories, most notably into pharmaceuticals.

In January, *American Lawyer* magazine named King & Spalding one of the top three products liability firms in the nation, largely due to our great success representing clients such as GM, ChevronTexaco, 3M, PurduePharma, GlaxoSmithKline and Brown & Williamson. This work is handled by lawyers in our Washington, Houston and Atlanta offices but goes back to taking care of GM.

## NEW YORK STRATEGIC EXPANSION

As we began to take on a greater volume of high-dollar-value, sophisticated transactional work of strategic importance to our clients, it became evident they needed us to have a presence in the international money center of New York. So in 1992, we opened our New York



THE FIRM OPENED AN OFFICE IN NEW YORK CITY IN 1992. BY 2004, THE OFFICE HAD 175 LAWYERS.

office to better serve clients like SunTrust, Coke, GM, an increasing array of international clients, and many others. This became a gateway for international clients which we were beginning to develop.

After starting with a small group of attorneys just over twelve years ago, our New York office now employs 175 lawyers in a wide variety of litigation and transactional practice areas. Our New York office has established the platform to expand our services and has helped us cement relationships with many new clients, including many investment banks and others in the financial services sector. New York is a challenging market with a long list of established law firms there, but King & Spalding is making great strides in that market. We have built strong transactional teams, a top-notch securities litigation team, and just this year we added a patent litigation team in that office.

### **OIL ROYALTIES WORK BRINGS KING & SPALDING TO HOUSTON**

ChevronTexaco is another major client with which we have had a long-term relationship that has altered the shape of the firm. The relationship began in 1989 when Judge Bell got a call from the general counsel of Texaco in White Plains, New York. The state of Louisiana

had claimed Texaco underpaid royalties on oil and gas leases going back decades. Texaco, fearing its reputation (and a lot of money) was at stake, wanted to hire lead counsel of the highest integrity to defend it. They found that in one of the finest Attorneys General to ever serve this country and, at that time, a King & Spalding partner: Judge Griffin Bell. Judge Bell was joined by one of our bright young attorneys, George Branch, who today is managing partner of our London office. They settled the case in Texaco's favor, and this positive result has led to a long, valued relationship with Texaco, now ChevronTexaco.



JUDGE GRIFFIN B. BELL

In early 1994, Texaco was involved in a lawsuit in the state of Texas and it wanted to hire a local firm. Texaco asked Judge Bell and George Branch to recommend Texas firms to interview, which they did. After it conducted interviews, Texaco's general counsel called George, said he wanted us to open an office in Houston, and promised us their business. George went straight to Judge Bell's office. Judge Bell looked up from his books briefly and said, "Sounds like a good idea."

So in 1995, at Texaco's request, we opened the Houston office with three litigation attorneys. When Chevron merged with Texaco, we maintained the strong relationship. In fact, the relationship that started under one general counsel has continued to grow under his three successors. We are now ChevronTexaco's number two firm in the U.S. The success of this relationship with ChevronTexaco ranges from high stakes litigation to our industry leading expertise in liquefied natural gas. Who would have imagined that we are responsible for an Angolan LNG project for this huge international enterprise based in California? Our retired partner, Sam Nunn, serves on the board of directors. Since 1989, the firm has represented Texaco and its successor, ChevronTexaco, as national counsel in nearly 250 matters throughout the United States.



THE FIRM OPENED AN OFFICE IN HOUSTON IN 1995 AT TEXACO'S REQUEST. BY 2004, THE OFFICE HAD 70 LAWYERS.

We now have more than 70 attorneys in Houston serving dozens of clients in litigation and transactional matters. The office has a particularly strong international transactional practice and is the base for our Latin American practice. We have assisted clients like Coca-Cola, Home Depot and UPS as their businesses in Latin America have grown. We would not have had our Houston office and its growth without the request by Texaco and the continued support of these other clients.

### **CROSSING THE BIG POND**

So by the late 1990s, the firm had offices in four U.S. cities, but our clients' needs were continuing to expand internationally. A London office became our next logical step that allowed us to expand on the international energy work coming out of our Houston office, help our clients acquire European companies, and build on key specialty practices. In 2003, the firm opened an office in London with six lawyers from various King & Spalding offices. Today, we have 16 lawyers practicing from that office and have taken on international mergers and acquisition and joint venture work for clients like General Electric, Oxford Industries and UPS, as well as cross-border financing work.



THE FIRM OPENED AN OFFICE IN LONDON IN 2003 TO HELP CLIENTS WITH INTERNATIONAL NEEDS.

Our London office also shares expertise in the specialty area of Islamic finance and investment with our New York and Atlanta offices, and earlier this year the firm was named the top Islamic Finance legal advisor in the world by *Euromoney*, an international business and financial publication.

business and financial publication.

You might wonder how a firm rooted in Atlanta has become an international pioneer in the Islamic Finance field. The diligence and responsiveness of three of our partners — Don Knight, Mike McMillen and Isam Salah — are largely responsible. Each of them

IN 2004, THE FIRM WAS NAMED THE TOP ISLAMIC FINANCE LEGAL ADVISOR IN THE WORLD BY EUROMONEY, AN INTERNATIONAL BUSINESS AND FINANCIAL PUBLICATION.

Islamic finance awards

## Islamic Finance Awards

**BEST LEGAL ADVISOR IN ISLAMIC BANKING**  
**King & Spalding LLP**

King & Spalding was involved in the first construction financing provided by a commercial bank for US real estate, using an istisna-ijara structure. It also worked on the first sukuk issue by an Islamic financial institution, based on a mudaraba-murahala structure and providing liquidity and redemption features to sukuk holders.

In the past year King & Spalding has represented a US-based investment manager in the development of a Shariah-compliant hedge fund, structured as a fund of funds, including the development of Shariah-compliant equivalents of short sales of securities, options trading and leverage (including margin leverage).

It also worked a wide range of property schemes, involving both the creation of funds and the development of properties.

**BEST PROVIDER OF MIDDLE EAST FINANCIAL SERVICES**  
**National Commercial Bank**

There are a growing number of highly professional providers of Islamic financial services in the Middle East. These range from the larger Saudi Arabian joint ventures, including Saudi British — in which IBC is a shareholder — to large local institutions such as Shamil Bank and the growing number of smaller specialist operators such as first Islamic Investment Bank and North.

However National Commercial Bank (NCB) is now reaping the rewards of a long-term commitment to Islamic banking.

Headquartered in Jeddah, NCB is the dominant fund manager in the region with \$125 billion (in billions) under management. Some 25% of this business is compatible with the precepts of Islam.

Indeed, as Islamic structured funds are highly respected across the region and sold by many other financial institutions, NCB is the world's largest provider of Shariah-compliant mutual funds. These combine the best elements

of conventional funds while complying with Islamic principles.

On the retail side, the bank offers credit and charge cards as well as financing packages that are structured to enable customers to buy products such as cars and household goods. Saudi Arabia is about to take the first tentative steps into the mortgage market and NCB is already well prepared to develop Islamic products to meet this demand.

In Islamic branches are recognized as among the best in the kingdom and it has continued to expand the number to meet demand. There are now more than 100 branches specialising in Islamic services, compared with 250 offering conventional banking.

The electronic services offered to Islamic customers are first class, as are the services offered to women and young customers.

The bank has a highly respected corporate banking division which is also able to structure Islamic products. The capital markets operation will enable the bank's Islamic investors to take full advantage of the expansion of the Saudi Arabian stock market.

Reprinted from **EUROMONEY** January 2004 [www.euromoney.com](http://www.euromoney.com)

had been handling major transactions in the Middle East for years when, in the early 1990s, it became apparent to them that more and more of their clients needed to structure transactions that would attract substantial Middle Eastern investment by complying with Islamic law, and that there was a lack of suitable structures. Islamic law forbids Muslims from participating in some aspects of business and investing, including earning or paying interest or engaging in speculation.

They believed that, using their structuring abilities and creativity, they could develop and implement Islamically compliant transactions to help those clients. They went on to pioneer some of the most widely used Islamically compliant structures and products, and this practice has become one of the most respected in its field in the world. Who would have thought this of King & Spalding?

## HELPING HOME DEPOT EXPAND

Another excellent example of how we have grown to serve our clients is Home Depot, a relative newcomer to Atlanta compared to The Coca-Cola Company and SunTrust. Founded in Atlanta in 1978, Home Depot opened with just three stores. It is now the world's largest home improvement specialty retailer with \$65 billion in sales in 2003. It is the second largest retailer in the U.S. and soon will open its 1,800<sup>th</sup> store in the U.S., Puerto Rico, Canada and Mexico.

One of our bright young lawyers, Mike Egan, handled a merger of two construction firms in 1985 and then struck up a friendship with a young CFO who later went to work at Home Depot. As Home Depot grew, its needs became more sophisticated. It began needing legal assistance with financing, store growth and acquisitions, so Home Depot called on Mike Egan.

Home Depot's legal work has evolved from periodic merger and acquisition work to where, on any given day, numerous King & Spalding lawyers are assisting Home Depot. We handled its expansion into Mexico and a joint venture in Chile in 1997, and our continued work for them in Latin America has attracted bright young Spanish-speaking lawyers - or *abogados* - to join our Houston office. Mike's work with Home Depot led to our selection by Home Depot's co-founder, Arthur Blank, to handle Mr. Blank's purchase of the Atlanta Falcons. Last year, Mike led another team that handled an even more



MIKE EGAN AND THE KING & SPALDING TEAM THAT HANDLED THE PURCHASE OF THE ATLANTA HAWKS, ATLANTA THRASHERS AND THE OPERATING RIGHTS TO PHILIPS ARENA WITH THE CLOSING DOCUMENTS AND THE CLIENTS.

complicated purchase of the Atlanta Hawks, Atlanta Thrashers and the operating rights to Philips Arena. We also represent the Houston Astros, so we have major league sports covered.

### TEAMING WITH UPS

Another relative newcomer to Atlanta and King & Spalding is UPS. When UPS moved to Atlanta in the early 1990s, we had no relationship with UPS. We did a small amount of work for UPS up until 1999, when the UPS Legal Department launched a law firm convergence and consolidation initiative to reduce its outside counsel roster in the U.S. from almost 200 law firms to 25 Core Counsel firms. UPS invited over 60 top law firms from around the country to make presentations to UPS about why they should be included in the UPS Core Counsel Network. UPS is a company that prides itself on its business ethics and high standards in a fiercely competitive marketplace. Deep down, we modestly believed that we had much to offer to UPS and felt that our culture of service and dedication to our communities was similar to theirs.

Fortunately for us, UPS agreed and we are now one of their top international law firms. We have represented UPS in doing all the international trademark work for “What can Brown do for you?” and



UPS, WHICH TRACES ITS ORIGINS TO A 1907 MESSENGER SERVICE IN SEATTLE, USED THIS DELIVERY VEHICLE IN 1921. THE COMPANY MOVED ITS HEADQUARTERS TO ATLANTA IN 1991. UPS NAMED KING & SPALDING A CORE COUNSEL EIGHT YEARS LATER.

assisted in the launch of UPS's global brand strategy. We have followed them in international expansion and acquisition, as well as corporate finance, securities, employee benefits, joint ventures, commercial and tort litigation, contracting and strategic alliances, among other areas. Our experience in partnering with UPS to promote efficiency and reduce legal costs has been a true asset of King & Spalding.

Our relationship with UPS has grown beyond the provision of legal service into the area of community service and "giving back to the community." For example, last year UPS led all corporate givers in its support of the United Way. With the encouragement of UPS, King & Spalding became the runaway law firm leader in United Way contributions in Atlanta. We are also working jointly with UPS Legal to provide pro bono legal services to the elderly.

## COMMITMENT TO COMMUNITY

Corporate clients are not the only ones who have helped this firm grow, though. Our civic and pro bono work has also benefited King & Spalding by giving us opportunities to support our community and those in need.

Our firm's long tradition of public service can be traced back to Alex King, who was appointed by President Wilson to be Solicitor General of the United States in 1918. A few years later, King was appointed as a judge on the Fifth Circuit Court of Appeals, the same bench graced years later by Griffin Bell. King served with great distinction, and then returned to the law firm for another two years before dying in 1926. That same year, the Atlanta Public Schools System was unable to meet its payroll. Jack Spalding led an effort to fund a half-million dollar system based on scrip that allowed the teachers to transact business in the city.

This tradition of public service was continued by Hughes Spalding, who operated as a one-man governmental affairs department for several of the firm's clients from the 1920s through the 1950s. A sampling of the organizations he chaired includes the Board of Regents, the Fulton County Democratic Executive Committee, and



THE FIRM'S LONG HISTORY OF COMMUNITY SERVICE CONTINUES IN VARIOUS CITIES WITH LAWYERS AND EMPLOYEES PARTICIPATING IN HANDS-ON PROJECTS.



KING & SPALDING WILL MOVE ITS ATLANTA OFFICE TO THIS 41-STORY TOWER IN MARCH 2006. THE BUILDING, UNDER CONSTRUCTION AT PEACHTREE AND 14<sup>TH</sup> STREETS IN MIDTOWN, IS ON THE SAME CORNER WHERE FIRM FOUNDER JACK SPALDING BUILT HIS PRIVATE HOME IN 1892.

the Trust Company's Trust Committee. He was the first chair of the Fulton-DeKalb Hospital Authority, and Atlanta's downtown children's hospital bears his name to this day.

Since then, our lawyers have answered the call on everything from Atlanta's efforts to secure the 1996 Centennial Olympic Games, to its present support of quality-of-life initiatives such as the Metro Atlanta Task Force for the Homeless and the Atlanta Clean Air Campaign. Over one hundred fifty of our lawyers serve on the boards of nonprofit organizations.

We have helped death row inmates, people seeking asylum, victims of domestic violence and many others who could not otherwise afford legal assistance. We also have helped attack the difficult issues of mental health treatment for those in the criminal justice system and civil rights for prisoners. We now have two pro bono cases pending before the United States Supreme Court.

We are the only firm in the country to have provided a Solicitor General of the United States (Alex King), an Acting Solicitor General (Paul Clement from our Washington office), an Attorney General of the United States (Griffin Bell), and a Deputy Attorney General (Larry Thompson). Other partners who have served our country include the late Governor George Busbee and former U.S. Senator Sam Nunn.

Judge Bell once said, “There’s no better way to live than being a lawyer. You have a chance to serve, you have a chance to use your talents, and all in the public good.”

#### **WORKING AS A TEAM FOR CLIENTS’ BENEFIT**

While all of the attorneys at King & Spalding can boast of individual achievements, I believe the firm’s strongest attribute is its ability to work as a team for the benefit of our clients. Founder Jack Spalding once said that no one member of the firm can help contribute to their individual reputation in any better way than by helping build the firm overall. Those were farsighted words and remain true today.

We have many attorneys today who are Jack Spaldings — outgoing business people with a knack for making contacts and understanding clients’ needs; but we also have hundreds of Alex Kings — those who are outstanding scholars and work with their noses to the books to ensure our clients get the best legal advice possible.

Unlike Jack Spalding and Alex King, however, we no longer take all the money we get during the day, stick it in a drawer and split it up at the end of the day. I’m also happy to report that, today, all of our offices come complete with heat *and* drinking water and have full, round number addresses. But as we’ve grown from two attorneys in 1885 to more than 800 in 2004, and from serving small Georgia enterprises to representing some of the world’s largest and most

respected international corporations, we have not forgotten our heritage.

And we have learned along the way:

- That to best serve our clients, we have to listen, learn their business objectives and become contributors to their success.
- That we are only as good as our last interaction with our clients, so nothing less than the best legal work any time we interact with a client is acceptable.
- And that by collaborating cross-office and cross-practice as a team, our clients reap the rewards, but so do we — by creating a firm where the work is rewarding, the atmosphere is collegial and potential is unlimited.

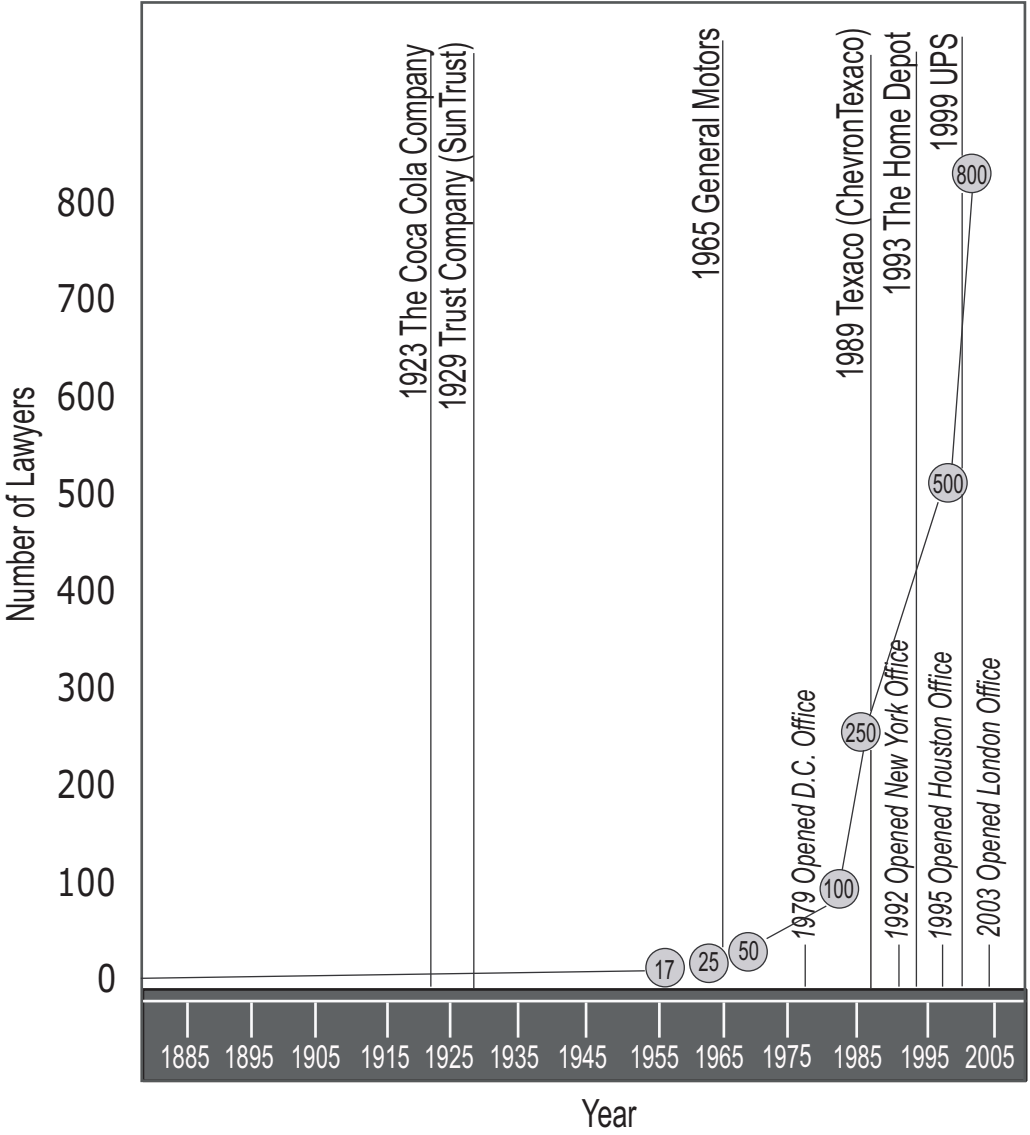
It has been my honor to be a part of this team for 34 years and to represent King & Spalding here tonight.

Thank you.



# King & Spalding's Growth 1885 - 2004

Numbers of Lawyers • Key Client Representation • Office Expansion





*“Were American Newcomen to do naught else, our work is well done if we succeed in sharing with America a strengthened inspiration to continue the struggle towards a nobler Civilization— through wider knowledge and understanding of the hopes, ambitions, and deeds of leaders in the past who have upheld Civilization’s material progress. As we look backward, let us look forward.”*

—CHARLES PENROSE

(1886-1958)

Senior Vice-President for North America

The Newcomen Society

for the study of the history of  
Engineering and Technology

(1923-1957)

Chairman for North America

(1958)



*This statement, crystallizing a broad purpose of the Society, was first read at the Newcomen Meeting at New York World’s Fair on August 5, 1939, when American Newcomen were guests of the British Government.*

*“Actorum Memores simul affectamus Agenda”*

“By collaborating cross-office and cross-practice as a team, our clients reap the rewards, but so do we — by creating a firm where the work is rewarding, the atmosphere is collegial and potential is unlimited.”

— WALTER W. DRIVER, JR.

