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General Counsel's Message

Jeff Gearhart

Executive Vice President & General Counsel

I am excited to share a number of developments that we hope will enhance our working relationships with our law firm partners and help make significant changes in the lives of attorneys striving to balance their professional and family lives.

Balanced work schedules for attorneys are part of the business case for diversity at Walmart and we believe they will come to matter more and more to other large consumers of legal services for a number of reasons. First, attrition rates in large law firms, even in good economic times, are upwards of 20% - more than double those in most industries. The loss of a talented associate or partner due to the absence of balanced work arrangements results in lost institutional knowledge from both a firm and client perspective. This is not only disruptive to the continuity of work, it is also expensive – both to the law firm losing the attorneys and to the clients to whom the firm passes on those costs.

Moreover, the absence of flex-time arrangements has been shown to have a seriously detrimental effect on the careers of women and minorities. In fact, minority female lawyers have the highest attrition rate of any group of lawyers and we are beginning to understand that a lack of work/life balance may play a major role for many of these attorneys.

I want to personally thank my friends and colleagues who have participated in the Project for Attorney Retention's Diversity and Flexibility Connection for helping me better understand and appreciate these issues. Because of their keen insight, I now realize that flex-time is an important and necessary component to maintaining a top-notch diversity program.

Flex-time requirements will be part of an overall revision to our outside counsel guidelines, which we expect to complete early next year. The changes will include requirements for the adoption of meaningful flex-time policies, as well as the development and tracking of metrics which will allow us to better measure and score for cost effectiveness, performance, and diversity.

Finally, we are soliciting ideas for workable alternative fee arrangements that are designed to be cost effective while rewarding attorneys who do excellent work and attain superior results and, not just for the time they spend on matters. We appreciate your partnership in these endeavors.

Walmart Announces Flex-Time Requirements for Outside Law Firms



Jeff Gearhart
Executive Vice President & General Counsel

Walmart EVP/GC Jeff Gearhart announced that diversity at Walmart includes providing an even playing field for attorneys who work flex-time schedules and that flex-time arrangements will become one of the measures of diversity by which Walmart will evaluate law firms.

The announcement came following Gearhart's participation in the Project for Attorney Retention's Annual Diversity and Flexibility Connection Conference. The conference consisted of a "Best Practices" group discussion that included general counsels and managing partners from several companies and law firms.

"I have authorized changes to our outside counsel guidelines to expand the definition of diversity to include flex-time arrangements," Gearhart said. "We evaluate our firms on the basis of performance, cost-effectiveness, and diversity. The research we've seen convinces us that viable, user friendly, flex-time arrangements pay dividends for both firms and corporations in all three areas."

Gearhart went on to say that flexible work arrangements and creative use of technological resources can result in improved retention and productivity as well as decreased attrition rates, especially among women and minorities. "Giving lawyers the freedom to manage their professional and personal lives benefits both the firm and the client," he said.

The Project for Attorney Retention launched its Diversity and Flexibility Connection in January 2009 and invited Gearhart, along with other general counsels who have demonstrated a commitment to diversity and work/life issues, to participate in moderated discussions with selected law firms to identify and develop effective strategies for flexibility and diversity. Since then, Walmart Legal has refined and reinvigorated its own internal flex-time policies and is now taking the next step in seeking the participation of its external firms in recognizing and embracing the value of flexible and/or alternative work arrangements.

For information regarding the Project for Attorney Retention and the Diversity and Flexibility Connection, please contact Manar Morales, Director of Strategic Initiatives for the Project for Attorney Retention, at 301-580-2490 or go to www.attorneyretention.org.

Walmart Supports NBA Crump Law Camp



Walmart Associates Kimberly Royal and Walter Sutton welcomed students to the law camp.

The National Bar Association held its 9th Annual Crump Law Camp in Washington, DC, July 12-25, 2009. Thirty-two students of color from across the country attended the two-week session held on the campus of Howard University School of Law. The 9th through 11th grade students were encouraged to do well in high school, matriculate through college, and enter law school.

The students were exposed to the American civil and criminal justice systems by law school professors. They also learned trial techniques, which were utilized in a mock trial competition on the final days of the camp. The top two teams competed in a mock trial competition at the NBA Annual Convention in San Diego, CA in August. Walmart Vice President and General Counsel – Sam's Club, Whitney Head, and Joe West, Associate General Counsel, served as judges for the preliminary rounds of competition. Associate General Counsels Jeff McGinnis and Walter Sutton served as judges for the final round of competition in San Diego.

Outside Counsel Management

By Joseph K. West

Associate General Counsel - Outside Counsel Management

As head of Outside Counsel Management, I am responsible for managing the company's relationship with each of our external law firms and ensuring compliance with the terms of the outside counsel guidelines. The guidelines refer to me either by name or with the acronym, "AGC-OCM." Although you should be familiar with the terms of the guidelines, we still get questions on a number of issues. So, in addition to new information that may be of use to you, a short refresher course may be in order:

RATES - As you have been informed by now, Walmart will not be approving rate requests for the upcoming fiscal year. We know that this is not a popular decision and we want you to know that this is not a decision we reached without much discussion and reflection. The simple fact is that this is not the time for us to approve rate increases. We have engaged in aggressive cost-cutting, both internally and externally, this year and we appreciate both the hard work our firms do as well as many of your comments that having a client like Walmart has been a source of stability during otherwise difficult times. We also have solicited your recommendations for alternative fee structures, which we believe will accomplish our joint goals of driving value while rewarding excellent efforts and results.

TRAVEL - As you know, in February of this year, we instituted a travel moratorium. As such, all non-case related travel to the Home Office requires GC/VP pre-approval and must be coordinated through my office.

CONFLICT WAIVERS - All requests for conflict of interest waivers should be submitted to me in the format contained in the guidelines. For fastest results, please also copy my assistant, Sherry Kirkhuff (sherry.kirkhuff@walmartlegal.com). You certainly may copy your case manager if you like, but if your request is sent only to the case manager, it is not deemed to have been submitted for consideration.

APPROVED FIRMS - Only those firms approved by my group can represent Walmart. Those firms already on our approved list are required to obtain written approval before retaining the services of other legal counsel. (Page 7, OC Guidelines).

ENGAGEMENT LETTERS - Firms have the responsibility to submit an engagement letter upon reaching agreement with the Responsible Legal Department Attorney (RLDA) each time the firm is engaged on a particular matter. Engagement letters must contain the scope of representation and applicable rates. The rates cannot exceed those previously agreed to by the AGC-OCM.

RELATIONSHIP PARTNER VACANCIES - Walmart is solely responsible for the selection of its relationship partners. Firms experiencing or contemplating a change or vacancy in the relationship partner slots must submit to my attention a slate of five prospective candidates for the positions along with their bios. At least one candidate must be a woman and at least one must be a person of color.

Thank you for your hard work and dedication to Walmart's mission of saving money so our customers can live better lives.

Tom Evans Honored by Texas Minority Counsel Program



Tom Evans

Tom Evans, Vice President and General Counsel – Logistics, was a 2009 Finalist for the Texas Minority Counsel Program (TMCP) Corporate Counsel of the Year Award. Tom was nominated for his leadership and dedication to promoting diversity, both at Walmart and in the legal profession. He also was recognized for his commitment to mentoring high school students and engaging in community service projects.

Tom is a strong voice for diversity in the legal profession and has addressed diversity issues in many different forums, including programs presented by the Florida Bar, State Bar of Texas, Tennessee Bar Association, Virginia State Bar, and the Transportation Lawyers Association.

Before joining Walmart in 2002, Tom practiced law in Texas for eleven years. Tom currently serves as the Legal Department's General Counsel liaison to diversity partners in the State of Texas. Tom also serves as a Director of the Northwest Arkansas Food Bank in addition to the National Alumni Boards of Trinity University and Washington & Lee University School of Law.

Walmart Attorneys go to Camp



HNBF Program

By Jessica Fredrickson
Assistant General Counsel-Corporate Affairs/Government Relations

The Hispanic National Bar Foundation (HNBF), founded in 1987, is committed to promoting law as a viable educational and professional opportunity for young people across the country. Like Walmart, the HNBF believes that knowledge and diversity benefits everyone. As a Member of the Board of Directors for the HNBF, I am honored to be part of an organization that shares the core values we bring to life every day. Often, lack of opportunities, role models, and financial support prevent many Hispanics from entering the legal field and contributing their perspectives on issues that impact our nation. My work with

the HNBF is a way of saying thank you to those who supported and believed in me and a way to encourage a new generation of leaders to join our profession.

The HNBF provides scholarships, learning programs, and mentorship to support educational achievement within the Hispanic community. Through its cornerstone program, the annual Future Latino Leaders Law Camp, the HNBF provides high school students from the U.S. and Latin America with the opportunity to spend a week in Washington, DC, learning about the legal profession. Students are prepped for and compete in a mock trial with guidance from attorney coaches. Attorneys also brush off their court room skills by serving as witnesses and judges in the competition.

This summer, Walmart Legal was well represented with HNBF G.C. Sponsor Sam Reeves, HNBF Board of Directors Member Jessica Fredrickson, and volunteers Kerry Kotouc, Abad Lopez, Sonya Dodson, Jude Cisneros, Alex Vasquez, and Kimberly Royal all taking part in the Law Camp.

Twenty students from all over the country participated in this year's Law Camp held in Washington, D.C.



Sam Reeves

Outside Counsel Appointments to the Obama Administration



Vilma Martinez

Several outside counsel have been named to top level posts within President Obama's Administration. These individuals include Sharon Barner of Foley & Lardner LLP, Ron Kirk of Vinson & Elkins LLP, Vilma Martinez of Munger Tolles & Olson LLP, and Victoria Lipnic of Seyfarth Shaw LLP.

Barner, who specializes in Intellectual Property, will be joining the Obama Administration as Under Secretary of Commerce for Intellectual Property and Deputy Director of the U.S. Patent and Trademark Office. In this role, she will be developing comprehensive legislative reform centered on enhancing the Patent Office's strength.



Sharon Barner

Kirk, who specializes in Public Finance and Public Policy, is serving as the United States Trade Representative and a member of the President's Cabinet. His responsibilities include oversight of U.S. trade policy and strategy as well as the implementation and enforcement of multilateral trade agreements.

Martinez, who specializes in commercial litigation, also served on Walmart's Employment Advisory Panel. She now serves as the United States Ambassador to Argentina. Martinez is the first woman ambassador of the United States to Argentina.



Victoria Lipnic

Lipnic, who has an extensive background in employment law and served as Assistant Secretary of Labor for Employment Standards in the prior administration, has been nominated by President Obama to be the next EEOC Commissioner.

Walmart Legal Counsel Honored for Outstanding Law Firm Diversity Efforts



Joe West

Joe West, Associate General Counsel for Walmart, is a leader not by what he says but by what he does. At Walmart, Joe West has the significant responsibility of managing outside counsel relationships. In that role, Joe has demonstrated an unwavering commitment to hiring the best legal talent to represent Walmart's interests. An integral part of his vision includes identifying and nurturing relationships with women and minority-owned law firms, including firms associated with The National Association of Minority & Women Owned Law Firms (NAMWOLF).

Walmart is a long time supporter of NAMWOLF and has consistently maintained its commitment to diversity through its involvement in NAMWOLF and other organizations and initiatives that foster diversity in the legal profession. This year, Joe West, Associate General Counsel, Outside Counsel Management, was the recipient of the 2009 Award for Outstanding Service by an Advisory Council Member. "At Walmart we know that Diversity is the foundation for an inclusive, sustainable business that embraces and respects differences," said West. "Helping minority and women owned law firms grow and prosper is a commitment shared by Walmart and NAMWOLF, and I am honored to be recognized for my efforts to support NAMWOLF's important work." The award was presented to Joe at the NAMWOLF Annual Meeting and Law Firm Expo in Chicago.

Walmart Honored at the 2009 APIASF Benefit



Tom Mars
EVP and Chief Administration Officer

On November 5, 2009, the Asian & Pacific Islander American Scholarship Fund (APIASF) celebrated its Fourth Annual Today's Minds, Tomorrow's Future® Scholarship Benefit in New York City. Proceeds from the Scholarship Benefit help APIASF support Asian and Pacific Islander American students by providing them with resources that increase access to higher education opportunities. At this year's event, Walmart was honored for its continuing support of the organization, with Tom Mars, EVP and Chief Administration Officer, on hand to accept an award of recognition.

Diversity Events

November

- Council on Legal Education Opportunity being held in Washington D.C. November 5, 2009 (www.cleoscholars.com)
- National Association for the Advancement of Colored People Legal Defense Fund Annual Dinner being held in New York, NY November 6, 2009 (www.naacp.org)
- National Association of Women Lawyers General Counsel Institute being held in New York, NY November 5-6, 2009 (www.nawl.org)
- Interlaw Conference being held in New York, NY November 10-11, 2009 (www.interlaw.org)
- Minority Corporate Counsel Association's 10th Annual Creating Pathways to Diversity Conference being held in New York, NY November 11, 2009 (www.mcca.com)
- Pro Bono Institute Annual Dinner being held in New York, NY November 12, 2009 (www.probonoinst.org)
- Mexican American Legal Defense and Education Fund 35th Annual Awards Gala being held in Los Angeles, CA November 12, 2009 (www.maldef.org)
- LatinoJustice Fund-PRLDEF Annual Awards Gala being held in New York, NY November 17, 2009 (www.prldef.org)
- National Asian Pacific American Bar Association 21st Annual Convention being held in Boston, MA November 18-22, 2009 (www.napaba.org)

We welcome submission of articles for possible inclusion in future editions of Walmart Legal News. Please forward submissions to Jessica Fredrickson, Assistant General Counsel -- Jessica.Fredrickson@walmartlegal.com

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