

On Being a Corporate Lawyer

Introduction by Dean Daniel O. Bernstine

It is my pleasure to introduce our convocation speaker, Mr. Russell G. Cleary. Mr. Cleary was born in Chippewa Falls, Wisconsin, but moved to La Crosse at an early age and considers himself a native of La Crosse, Wisconsin. He attended the University of Wisconsin-La Crosse for three years and then transferred to the University of Wisconsin Law School, graduating from the Law School in 1957. He practiced law and managed La Crosse's largest real estate brokerage company from 1957 to 1960, and in 1960 he joined the Heileman Brewing Company as House Counsel and Assistant to the President. In 1971 he was elected President, Chairman of the Board and Chief Executive Officer of the Heileman Brewing Company and served in that capacity until 1989.

Mr. Cleary has a very long and distinguished list of service to various corporations as a member of the Board of Directors. In addition, he has been recognized both in La Crosse and around the country as a distinguished citizen and businessman. In 1979 he was named the Number One Citizen of La Crosse by the Mayor and the City Council. In 1980 he was named Executive of the Year by Corporate Report Magazine. In 1986 he was named Entrepreneur of the Year by Arthur Young. In 1987 he received the CEO of the Year-Beverage Industry bronze award from Financial World Magazine, and the list goes on. Mr. Cleary is one of our most distinguished graduates. It is truly a pleasure and an honor to have him speak to you this evening. Without further ado, I present to you our convocation speaker, Mr. Russell G. Cleary.

Russell G. Cleary ('57) On Being A Corporate Lawyer

It's a real pleasure for me to be a part of this convocation program this year. I understand that Tommy Thompson did the job last year, and he's a tough act to follow. Tommy is an excellent speaker, a great Governor, and a great credit to this Law School.

I noticed that the ceremonies today are a lot lighter than when I was in your seat 36 years ago. There was more terror in the message that was delivered then.

Frankly, I didn't think 36 years ago, when I was sitting where you're sitting, that I would be up here trying to give you the benefit of my experience as a corporate lawyer. I have lived in the corporate



Russell G. Cleary speaks to the Class of 1993 and Law School Faculty.

jungles and fought the corporate wars for the last 30-odd years and will try to give you a corporate eye view of how to apply your law training in your career. Frankly, over the course of my career, I never had to apologize for the fact that I was a graduate of the University of Wisconsin Law School, although some of my legal colleagues like to brag about their eastern school ties.

I am sure that many of you are asking yourselves the kind of questions that I was asking myself 36 years ago: "What am I doing here, and what's going to happen to me? Where is this all going to lead?" When I sat there, I had the same concerns and the same feelings.

Our orientation was, of course, in the old law building. It was like an old fortress, like a medieval castle. We sat in a round classroom with Gargoyles in the corners. Dean John Ritchie, the dean at that time, looked down upon us very sternly and asked us to stand up and shake hands with the person on the left and the person on the right. He asked us to remember all the names because two of the three of us weren't going to make it. That was very discouraging and did leave a little terror in our hearts and minds. He was about right. Out of a class of about 190, 80 of us graduated. I understand the current system of eliminating students is a bit more humane. They do

the job before you get here, saving some of the pain and anguish.

I believe the real benefit of a legal education in terms of the corporate world is, basically, you have almost limitless opportunities. In other words, a legal education is the kind of a background that opens doors for you that other educational backgrounds don't do.

From my perspective, the most important aspect of a legal education is that it does create an almost unlimited spectrum in terms of job possibilities beyond the corporate world. Practicing law may be one of your ultimate destinations, but not for the majority of lawyers today. In our complex world, our society and regulatory environment create job opportunities for those with broad legal training. I did not want to go to law school, because I had any predetermined idea of what I wanted to do in life. Rather I went with a strong belief that it was the best education that I could get for a wide variety of career choices. No one in my family had ever gone to law school, so, I didn't really know what to expect. But I had the strong support of my family and a belief that somehow this was the best education, one that would serve me well in terms of my career and throughout my life.

As Dean Bernstine indicated, I graduated in 1957. I practiced law for a brief

period of time and then managed a realty firm in La Crosse. In 1960, I accepted the opportunity to go with Heileman as House Counsel. Heileman, at the time, was a very small firm, about \$12 million in sales, a small but growing regional brewer. In the course of the next 11 years, I did just about everything in the company, from labor negotiations to acquisitions to keeping marketing people out of trouble—which was almost a full-time job. I really got a good post-graduate education. Moving from the legal bar to the beer bar was most interesting and challenging. In addition, I spent a lot of time in the sales and marketing area.

Contrary to appearances, my career path was not unique. At one time in the mid-70's, three of the top five CEOs in the United States in the brewing industry were lawyers—John Murphy of Miller; Frank DeGuire, who you probably know is the Dean of the Marquette Law School, at Pabst; and myself at Heileman. We found a bit of humor at brewer CEO meetings saying that we had double bar association meetings. Unfortunately, today there are no lawyers running the top five breweries. Sales are going flat to down. Maybe we lawyers are better at stimulating consumption. Maybe that says something about the industry.

I thoroughly enjoyed my years at Heileman, as I enjoyed my years in law school (I enjoyed them more after I got out as a matter of fact). Heileman grew very rapidly over the course of my years as CEO from 15th place to fourth place in the brewing industry, to fifth place in the baking industry, and we ultimately became the third largest publicly held industrial corporation in Wisconsin prior to the takeover that occurred in October of 1987.

I can honestly say that I could not have functioned as effectively or achieved what I have achieved in my lifetime without having had the benefit of a legal education. In working in a world with 10,000 employees, 20,000 shareholders and 2,000 wholesalers, along with all of the other problems of state and federal regulations, there was no better education that I could have had to meet my responsibilities. I have met with, and I know personally, many, many other attorneys who were either in the CEO, COO or CFO role. I think the majority of them

would echo those comments. They could not function nearly as well had they not had the benefit of a broad based, solid legal education as a basis for their career moves.

Our society is getting increasingly more complex in terms of environmental problems, intergovernmental relations, conflicts of jurisdiction, and the internationalization of our corporate business communities. All of these complex transactions require well-balanced, disciplined legal input in order to find solutions to our problems and stay out of the mine fields. I think there isn't any better education an individual can have today for facing the future in an increasingly complex society.

Until 15 or 20 years ago, the corporation president or CEO was responsible primarily to the shareholders. That has all changed dramatically. Today there is a greater balance between the responsibility of a corporate leadership group, not only to the shareholders but also to employees (both union and non-union), consumers who are increasingly demanding accountability from corporations that do abuse them, and certainly suppliers and wholesalers. All of these are very basic relationships that have legal implications and require real talent to avoid problems that otherwise might have serious adverse consequences for the business. I came through the legal ranks. I was House Counsel, General Counsel, ultimately CEO, and I frankly feel that there was no better way to move up the corporate ladder. We used many specialist law firms to guide our way through the corporate battlefield. I found that the increasing role of attorneys was extremely important in becoming more aware of and more responsive to the ever changing constituencies of a corporation.

I know that lawyers and accountants are sometimes criticized as contributing to the complexity of our society. Maybe in some instances that's true. However, when you look at the truly destructive problems of our society today—the S & L scandal and junk bond disasters—you can view with some degree of pride what the bar associations and law schools have done to increase awareness of the ethical responsibility and accountability required of attorneys. The legal profession stands out as one of the best exam-

ples of a profession that has seriously tried to police itself. This certainly isn't true of the investment community, the junk bond industry or the regulators of our S & L industry, which has created a tremendous financial disaster of yet unknown proportions. There is, unfortunately, a certain element of our society that has a very negative attitude toward the legal profession. They believe that either lawyers aren't necessary, or we are some sort of parasitic life that should be eliminated. It reminds me of the famous Shakespearean quote, "First, let's kill all the lawyers." I have coffee cups, T-shirts and the statues business associates have given me featuring this quotation. If you read the whole play, you find that the real meaning is, if you want to destabilize society, you first kill all the lawyers. This is a classic example of how taking a quotation out of context makes it totally misleading.

The greatest challenge today in corporate America, as we wade through the S & L, junk bond and banking industry's problems, is the demand for greater accountability from people in responsible positions. Again, the legal profession is in the best position to provide leaders who understand what accountability means and the responsibility for negligence, dishonesty and incompetence to the various constituencies. That's going to be increasingly difficult. Media events over the years, like Watergate and other political scandals that have brought down so many of our top leaders (many of whom were lawyers), have created a higher standard of responsibility that society expects to achieve. No profession is better able to gain positions of responsibility in such a society than the legal profession. It's up to each of us to justify and earn the respect of a society that has placed us in positions of great responsibility.

I'd like to end by saying that I'm proud to be a graduate of the University of Wisconsin. I think it's been the greatest asset in my career in terms of what I have been able to achieve. After graduating, you're going to gain an endless series of career opportunities.

Best of luck in what I know will be a very challenging and interesting part of your life.