

All-American advocate

Attorney Bill Wegner tries to keep things positive

BY CHIP JACOBS
Staff reporter

For an army brat from an "off-Broadway" law school, Bill Wegner's debut at the mighty downtown law firm Gibson, Dunn & Crutcher back in 1980 wasn't exactly stellar but at least he can blame Ronald Reagan.

Try as he did, the young lawyer just couldn't bear down on his first research assignment, thanks to clamor from the then-president-elect's transition team and Secret Service agents prowling Gibson, Dunn's Los Angeles headquarters.

But fast-forward 12 years, and a more relaxed Wegner, now 42, looks warmly at the crafted, mahogany conference table where Reagan and his first-term advisers, including late Gibson partner and U.S. Attorney General William French Smith, hammered out White House policy.

History aside, the antitrust-and-trademark counselor has ample reason to glow: an undefeated trial record - plus connections and a raft of grinding days has helped him land a partnership and a seat at "that" table.

In his time at Gibson - Los Angeles County's largest and oldest law firm, with 310 attorneys and 102 years of history - Wegner has taken on the State of California and Hollywood, defended Health Net and

Unocal Corp., even helped Rockwell International beat allegations it defrauded Uncle Sam on a massive space shuttle contract.

Yet, what's striking about the man is how little he fits the mold of the prototypical commercial esquire - the jaded, tough-talking legal gun with a penchant for Italian suits. Instead, the Sherman Oaks resident - whose says his kids tease him endlessly about his neatness streak and modest wardrobe - is more the-boy-next-door type, bristling with zeal, gracious to coworkers and opponents alike, an All-American with a deposition.

"Sometimes his demeanor can be a turn-off, like a politician kissing every baby in sight," said one observer and friend. "Not everybody knows he's really that genuine."

Queried about that image, Wegner shifts from his usual wide-eyed, whirlwind communication mode to measured intensity.

"It hurts when someone questions my enthusiasm or friendliness because I wake up with all four cylinders on," he explains. "Sure, I've been accused of being a Boy Scout, but let me assure you the idea of losing is intolerable to me. . . I'll take out my sword and ram it through your chest if you're hurting my client."

Wegner's saber was out in 1985, when he was tapped by the Oregonian, a daily newspaper in Portland, Ore., to defend it against charges by a rival weekly newspaper that the Oregonian's advertising pricing structure was "predatory," or below market.

If the Oregonian lost the federal antitrust suit, which focused on the low rates advertis-

ers got in a special food supplement, it would have cost the paper both face and \$30 million in damages.

"I started churning over the rates, talking to economists, really living and breathing the case. Then boom," Wegner exclaimed, swinging a baseball bat for emphasis, "I realized I was playing the plaintiffs game. The lower price wasn't just for the special section, but a combination price" for regular and special advertising.

He won the case, even using the unique strategy of utilizing a videotape to document a typical day in the Oregonian's ad department, and soon learned to do what many attorneys fail to learn: initiate instead of react, strategize instead of playing tactics.

The payoff, says West Los Angeles lawyer Bruce Friedman, who knows Wegner through the Business Trial Lawyers Association, is that "Bill's a comer, someone in the next wave of heavy commercial litigators. Using that video was something you don't see everyday. He's creative."

Fresh from his honeymoon last year, Wegner jumped into another high-profile case many believed was unwinnable. His task: To defend the beleaguered Hollywood Chamber of Commerce against state allegations the group mismanaged trust funds controlling the historic Hollywood Sign and Walk of Fame in the mid-1980s. At stake was \$700,000-plus in damages, abdication of the chamber's role as sign-and-walkway trustee and loss of trademark revenues criti-

SNAPSHOT

William Edward Wegner

Native of: San Francisco

Currently residence: Sherman Oaks

Age: 42

Education: Bachelor of Arts, philosophy, University of Santa Clara 1971 J.D., University of Puget Sound 1979.

cal to the organization's fiscal life.

For weeks, Wegner and two other Gibson lawyers "chewed" on the case, distilling issues and poring through trademark and trust legal tomes. But it was a phone call to a colleague at the law firm's Century City office that provided the needed breakthrough.

The California Attorney General, according to Wegner's colleague, had misfired badly by assuming the trusts in question could legally own the sign and walkway trademarks. After some checking, Wegner confirmed that those trusts were not legally capable of holding the financially lucrative trademarks and that they were actually owned by the chamber, (The sign and walkway trademarks produce roughly \$200,000 a year for the chamber in licensing fees for trinkets, T-shirts, coffee mugs and the like.)

Once state lawyers conceded that, what he calls the "bombshell" point and an additional point that the chamber's financial blunders were inadvertent, settlement talks began and a deal was cut last spring. The movie-capital group not only got to keep most of the trademark revenues, but it retained control over the trusts, though in partnership with Los Angeles City Hall, and was forced to cough up only a \$242,000 fine.

"What Bill did was find the flaw in the state's argument, frame a settlement and help calm a board paralyzed by fear and infighting," said Craig Darian, an ex-chamber board member who now runs an independent film production company. "He delivered."

At the same time the chamber case was humming, Wegner was also ensconced in a separate lawsuit with major implications for the Southland's entertainment industry. Citing federal racketeering and corruption laws, Warner Bros. filed a lawsuit against the estate of late actor-teen idol James Dean

and the Indiana management company handling his financial affairs.

Essentially, the studio claimed it owned all the merchandising rights to Dean's name, likeness and image - and the products they are stamped on - because of a contract the actor inked for Warner Bros. classic "East of Eden" in 1954. Including punitive damages, Dean's family and advisers stood to fork out as much as \$90 million if they were found guilty of conspiring against the movie company.

After months of jostling and research, the trial began last August, with Hollywood insiders rooting for the studio to prevail so they could capitalize on the precedent. In the end, however, it only took the Gibson team a week to prove the contract did not, in any way, confer Dean's merchandising rights to Warner Bros. Goliath had been snubbed.

The victory landed the lawyer on NBC Nightly News, where he called Dean the "The Rebel Without a Clause."

He even quoted Abraham Lincoln's "I fear explanations explanatory of things explained" in his closing argument.



"For them to attack Dean's family, these Quakers that live on a Indiana farm, and claim they own his rights, it was outrageous, a storm-trooper tactic to get something for nothing," fumes Wegner.

Said Stephen Tropp, the Warner Bros. attorney who tried unsuccessfully to get Wegner's team disqualified from the case because of an expert witness they called, "I still think the judgment was wrong, but Bill was a worthy adversary and a gentleman."

Paradoxically, Wegner's ascent coincides with the thumping Southern California's legal industry has been handed in the past three years. Save for bankruptcy work, the economic bust has squeezed legal billings, pressured partners to hunt down new-accounts ferociously and sent corporate clients scouring their hills for fat. Like O'Melveny & Myers, Latham & Watkins and other powerhouse local outfits, Gibson has felt the jolt a bit. And though it boasts clients like Rockwell, Aetna Life Insurance, the Los Angeles Times and Deloitte & Touche, national revenues of the firm have dropped from \$290 million to \$277 million in the past year.



On his firm's reputation as a pricey place that tends to "over-lawyer," Wegner says he invites clients to eyeball tabs. But he exhorted, "My concern is that clients will engage in false economies, trying to save money by trimming research and counseling with colleagues when doing just that" often produces results.

Before becoming a lawyer, Wegner lived in two foreign countries with a father who ran Pentagon hospitals and a handful of U.S. cities before entering the University of Santa Clara as a philosophy major in 1969. Short on cash, Wegner joined the ROTC and got a full scholarship, but made it clear he was against Vietnam - and against the army career his dad wanted for him.

By the time he graduated, the war was over and Wegner repaid the military by serving seven years, first as a field medic in West Germany, where he could look through binoculars and "gesture" at his Red Army counterparts. After a stint on Alexander Haig's NATO staff, he wound up as a hospital administrator, a post that led him to Fort Lewis near Tacoma, Wash., and the tiny University of Puget Sound's law school on a government scholarship.

Working full time to support three children and a first wife he'd later divorce, Wegner found the courses taxing but exhilarating enough to put him first in his class upon graduation. Impressed with the arbitration opinions Wegner helped draft, the law school's dean put in a call to a Gibson partner he knew in San Diego and two interviews later, he got the job in 1980 and a partnership seven years later.

And, colleagues note, he did it without an Ivy League diploma or political ties. Yet, despite it all a burgeoning antitrust clientele, a \$300-plus hourly rate, a book on the way and a family that's his "real priority"

there's still that Pollyanna "thing" eating at him.

Consider what happened nine years ago. On his first solo case, Wegner defended a Fortune 500 electronics manufacturer being sued by a distributor over allegations the larger company had purposely stolen away the distributor's customers. In a rarity, Wegner pushed for a settlement, but the parties literally "hated each other," making a federal trial seem inevitable. Before that could happen, though, the distributor's president had a heart attack.

Wegner reacted by dispatching \$60 worth of flowers and a note reading, "Don't think about the case." After the executive left the hospital, he agreed to drop his multi-million-dollar claim and sign the settlement.

"I sent the flowers because I felt really bad for the guy." Wegner recalls coyly. "But looking back on it, it was the best \$60 I ever spent."