

Southeast – Corporate Counsel

Bank Of America: A Contributing Member Of The Community With A Special Emphasis On Diversity

The Editor interviews Timothy J. Mayopoulos, Executive Vice President and General Counsel, Bank of America.

Editor: Mr. Mayopoulos, will you tell our readers something about your professional background and experience?

Mayopoulos: I have been fortunate to have had a varied career, with stints as a private practitioner, government lawyer and in-house lawyer. After completing a federal clerkship, I joined Davis Polk & Wardwell in New York, where I worked on a variety of civil and white collar criminal matters. That led to a desire for experience as a prosecutor, and I accepted a unique opportunity to work at the Whitewater Independent Counsel's Office in Little Rock. Following that, I returned to New York and joined Donaldson Lufkin & Jenrette, a boutique investment bank, where I was responsible for litigation and regulatory matters. In 2000, DLJ was acquired by Credit Suisse First Boston. After a time there I moved to Deutsche Bank as General Counsel for the Americas. In January 2004, I became General Counsel at Bank of America in Charlotte.

Editor: How has your career evolved during this time?

Mayopoulos: My career has evolved in three significant areas, each of which has helped to prepare me for my current position. First, I moved from handling just litigation matters to rendering advice on a wide range of issues, including transactions, regulatory issues and the whole gamut of corporate governance issues. Second, I gained experience working in large, diverse and truly global financial institutions. These are complex organizations, and they confront complex issues. Learning to navigate those types of organizations and issues has been an important part of my career development. Third, I learned how to manage large groups of people, which constitutes a significant part of what a general counsel in a large company does.

Editor: How did you come to Bank of America? Would you share with us the factors that went into your decision to accept the principal legal position at one of the world's largest financial institutions?

Mayopoulos: Several factors influenced that decision. One was that Bank of America is committed to a set of values in a way that differs from the commitment most companies express. For starters, Bank of America has the goal of being the most admired company in the world. I was struck by the way in which that goal is so forthrightly stated. Second, Bank of America is extraordinarily well run. The senior management team is extremely talented and, in addition, has a well-deserved reputation for being able to work collaboratively to accomplish the mission of the organization. There is a team-oriented culture that I find extremely attractive – and effective. Finally, it was, and is, very clear to me that the senior management team viewed



Timothy J. Mayopoulos

a strong legal function as one of the keys to the organization's success. I desired to be at a place where the people I work with believe that what I do – my contribution to the effort – is important.

Editor: Bank of America is a household name these days. It would be helpful, nevertheless, if you could provide us with an overview of the organization and its worldwide reach.

Mayopoulos: Bank of America is now the second largest bank in the United States, as measured by earnings, market capitalization, and assets. We operate the largest consumer and commercial bank in the U.S., together with one of the largest investment banks and one of the largest asset management operations in the country. We provide consumer banking services to one in three households in the U.S. We serve one in four U.S. businesses. And we are the number one overall Small Business Administration (SBA) lender in the country and the number one SBA lender to minority-owned small businesses.

A large percentage of our revenues are from the U.S., but our global reach is expanding. We serve clients in 150 countries today. We have relationships with 98 percent of the American *Fortune* 500 companies and 98 percent of the global *Fortune* 500. As an example of how we are growing internationally, in 2005 we made a three billion dollar investment in one of the largest banks in China, China Construction Bank. CCB is the second largest bank in China.

Editor: And the role of General Counsel? Please tell us about your responsibilities.

Mayopoulos: I am responsible for the delivery of all legal services to the company and to all of its affiliates and subsidiaries. In that regard, I am responsible for managing the in-house legal department as well as overseeing the services provided by outside counsel.

I am also responsible for the office of the Corporate Secretary and our investment administration group, and I oversee our enterprise operational risk management group.

We have about 380 lawyers globally

and about 750 staff members in the legal department. The legal department operates in 18 cities in the United States and five cities across Europe, Latin America and Asia.

The legal department is organized in such a way as to align with our business segments. That includes global consumer and small business banking, global corporate and investment banking, and global wealth and investment management. We have practice groups for each of these three major business lines. We also have practice groups that support the litigation and regulatory inquiries area and the corporate governance area, which includes M&A activity and securities matters. Finally, we have a group relating to staff support functions, including human resources, technology operations and corporate real estate.

Editor: Has your role changed with respect to corporate governance in the post-Enron world?

Mayopoulos: I have been at Bank of America for two years, so Sarbanes-Oxley was already in place when I arrived. While Sarbanes-Oxley has clearly imposed additional process and expense, I do not think that this statute, and the regulatory structure that has been derived from it, has had the impact on large banks that it has had on other industries. Many of the expectations that Sarbanes-Oxley created were already in place in our industry.

Editor: What types of cases or transactions are referred to outside counsel?

Mayopoulos: We generally send two types of matters outside. One involves matters that require significant resources which we are not staffed to handle, including large litigation matters and matters requiring specialized expertise that it would make little sense for us to have on a permanent basis. The other matters we refer to outside counsel are the high-volume routine sorts of items. Law firms have a pool of younger lawyers who can be trained to handle these things in a more cost-effective way.

Editor: How do you go about selecting outside counsel? What criteria come into play?

Mayopoulos: We are looking for substantive knowledge and expertise, of course, and we insist on high levels of service. Favorable pricing is also important. Those three factors drive our decisions. In addition, we place an increasing emphasis on diversity at both the partner and associate levels. We are focused on diversity in the broadest sense, and we pay attention to the numbers of women and people of color working on our matters.

Editor: Speaking of which, would you tell us about Bank of America's commitment to diversity.

Mayopoulos: The company's commitment to diversity is grounded in the belief that our company should reflect the diversity of the communities in which we do

business. We regard ourselves as America's bank, and we are looking for the same broad diversity as is reflected in our customers. We expect the firms providing services to our enterprise to reflect that diversity as well. This is not just the legal department's commitment. It is a company-wide commitment that reflects what we believe we should be delivering to our customers and to their communities.

We are proud of the fact that nearly half of our in-house lawyers are women and that a substantial percentage of the department are people of color. We are still looking to improve our diversity, not just in terms of women and minorities but also with respect to personal background, origin, lifestyle and other measures. We have done well, but we wish to do even better.

I think that corporate law departments are ahead of law firms in this regard, perhaps as a consequence of being part of larger corporate organizations that have been focused on diversity for some time. In any event, the law firms are responding to the insistence of corporate law departments and of the clients they represent to promote diversity. It is clear to me that the firms need to make substantial progress if they are to avoid being at a competitive disadvantage.

Editor: Bank of America may be a global enterprise, but its home is Charlotte. Would you tell us something about its place in the Charlotte community and its civic and community initiatives?

Mayopoulos: Charlotte is a great place to live and work. I lived in New York for nearly 25 years, and moving to Charlotte was a substantial personal transition for me and my family. I have the benefit of a job that provides a world-class professional experience with the convenience of living in a small city. Bank of America is part of a progressive corporate community that is involved in virtually every civic and community initiative in the city. We take a great deal of pride in our contributions to the city's economic development, its schools, its charities and museums and its arts organizations. We know that making Charlotte an even better place serves, among other things, to attract the best talent available.

Editor: Why are the values reflected in these initiatives important to the organization? What is the message that Bank of America is attempting to convey here – to its own people and to the larger community?

Mayopoulos: Bank of America believes in giving back to the communities in which it operates. As a leader in corporate citizenship, we have announced a 10-year 750 billion dollar goal for community development and lending, and in 2006 alone our charitable foundation will provide more than 200 million dollars in donations and grants in Charlotte and other places where we do business. The message, to our own people and to people outside the company, is that Bank of America wishes to be considered a responsible and contributing member of the community.