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STAN FARRAR RECEIVES BUSINESS LAW SECTION'S LIFETIME ACHIEVEMENT AWARD

BY STEVEN O. WEISE*

Introduction

I am pleased to write about the stellar career of Stan Farrar, this year's recipient of the Section's Lifetime Achievement Award. Each year the Section presents its Lifetime Achievement Award to a lawyer who has made significant contributions to the Section or business law generally, or both, over an extended period and who is held in high regard in the profession. Throughout his career, Stan has had extraordinary achievements, especially in the advancement of banking, financial and commercial law.

Growing up

Stan is a local fellow, having grown up in Santa Ana. As Stan puts it, he had a "Leave it to Beaver" youth. His father was the principal at the local high school, which Stan attended and where he quarterbacked their league championship football team, and his mother was a homemaker. While in high school, Stan worked as a janitor for Rimel & Johnston, a local law firm with three lawyers. Except for mixing the chemicals for the copy machine, the work was not that challenging. However, this was Stan's introduction to the practice of law; each of the lawyers was very generous in sharing his experiences.

Stan went to the University of California, Berkeley for college, where his aspirations to play football professionally saw him back on the field. Lucky for the law, then, that the coach at that time was Marv Levy, whose "Woody Hayes" philosophy was to emphasize the running game. Stan decided that a football career was not in his future.

Stan stayed at Berkeley for law school and attended Boalt Hall. He started in the Fall of 1964, which was

an exciting time at Berkeley with the Free Speech Movement on campus. During law school, Stan held several jobs including two years as a student editor at the Continuing Education of the Bar. While he loved

the law school faculty, Stan especially enjoyed editing the materials written by some of his professors at Boalt, who frequently cited questionable authorities. One of his Boalt professors, Albert Ehrenzweig, encouraged him to work for a New York law firm for a time to gain a broader experience.



STAN FARRAR

Professional career

Stan spent the first year after law school (1967–1968) as a Fellow at the Indian Law Institute in New Delhi, India, as part of a program, created by professors at Berkeley, to give American professionals an opportunity to learn about the challenges facing their counterparts in a developing country. The Institute, whose president is the chief justice of the Indian Supreme Court, is a research institution designed, among other things, to promote studies and research in law with a view to meeting the social, economic and other needs of India. Stan worked on a project relating to the Indian Constitution, then the world's longest. Ironically, there was a connection to California, which

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then had the second longest constitution. He looked at issues such as how federalism worked in India. He also lectured at Delhi University. The experience in India provided Stan with invaluable insights, including transforming an abstract concept like the “rule of law” into something concrete and meaningful.

Stan returned to the United States in 1968, where he joined Sullivan & Cromwell in New York, losing his beard somewhere in the process. Stan believes that he was the first Boalt graduate hired by S&C. When the stock markets seized up in 1969, Stan’s practice focused on the representation of commercial banks. Many of his early assignments helped to shape his career, especially with respect to bank regulatory matters and letters of credit. Professor Ehrenzweig was right. Stan had great mentors and benefited from the challenging nature of the matters handled by S&C and the firm’s emphasis on training and collegiality. He worked on an effort to update New York’s banking law and was on the scene in 1969 when Saul Steinberg of Reliance Insurance, who was then 30 years old, made an unsolicited offer to acquire the venerable Chemical Bank (now part of JPMorgan Chase). Chemical’s lawyers decided that the best way to deflect this effort was to change federal legislation. As a result, Congress amended the Bank Holding Company Act, which until then applied only to a company that owned multiple banks, to regulate any company that owned a single bank. This brought Chemical under that Act, consequently forcing Reliance to abandon its bid. One of the outcomes for Stan’s career was that S&C, representing the New York Clearing House, an association then composed of the largest banks in New York, took the lead in commenting on the many new regulations proposed by the Federal Reserve. Stan also had an opportunity to work on complex financing transactions (one of the first was representing Air India in its financing of 747 aircraft), workouts and insolvency related matters.

Stan had married after his first year in law school. In 1973 his then wife, a scientist, got an offer to teach

at Cal Tech. In the spirit of the two-career marriage, they moved to Los Angeles where Stan joined Lillick, McHose & Charles (now part of Pillsbury Winthrop). He led their banking work, representing banks in a broad range of matters ranging from mergers and acquisitions to commercial lending to bank regulatory advice. Stan became a trusted advisor to the leading banks in California.

In 1984 Sullivan & Cromwell decided to open an office in Los Angeles and approached Stan to help. Although Stan had wonderful colleagues at Lillick and enjoyed the practice there, the national and international opportunities at S&C moved him to accept their offer. Stan served as managing partner of S&C’s Los Angeles office for nearly 20 years. He worked on a range of large transactions involving banking crises, bank restructurings and mergers and acquisitions.

In 2005 Stan “retired” to become “of counsel” to S&C. The Firm reappeared on his doorstep in 2006 and asked Stan to manage its Tokyo office. During the financial crisis in the Fall of 2008, Stan was on the scene in Tokyo when, over a period of three weeks, S&C client Mitsubishi UFJ Financial Group made a \$9 billion investment in, and strategic alliance with, Morgan Stanley. Without a doubt, this turned out to be the most challenging, demanding and intense assignment of his career. Stan retired again in 2009 to become “of counsel” to S&C and thus far it seems to have taken.

Bar association activities

Stan’s day job made him very familiar with a range of banking and commercial law matters. While in New York, Stan served as a member of Association of the Bar of the City of New York’s Banking Law Committee. After moving to California, he joined the ABA Business Law Section’s Committee on Banking Law. Stan became active in that Committee and a chair of its Subcommittee on Bank Holding Companies and Nonbank Activities. He also joined the ABA’s UCC Committee. As a result of friendly persuasion by Bill

Burke, a former recipient of the Lifetime Achievement Award, Stan became the first chair of its Subcommittee on Letters of Credit.

For the California State Bar's Business Law Section, he served as chair of the Financial Institutions Committee and a leading member of the Legal Opinions Committee. Following his tenure with the Financial Institutions Committee, he was a member and vice chair of the Section's Executive Committee.

Stan was also active at the Los Angeles County Bar Association, as a member of the Executive Committee of the Business and Corporations Law Section (1980s).

Changes to corporate and banking laws saw Stan serving in the late 1970s on informal "task forces" or "advisory committees," composed of representatives of the State Banking Department (now the Department of Financial Institutions) and lawyers in private practice. The goal was twofold:

1. To modernize the Financial Code following the enactment in 1975 (effective in 1978) of a new Corporations Code; and
2. To address issues relating to foreign banks following the enactment of the federal International Banking Act of 1978. In 2003, the California Bankers Association gave Stan the Frandzel Award, which recognizes a lawyer in private practice who has provided "superior and noteworthy legal services to the banking industry."

Stan has been active in other public-spirited activities, including:

- As a Trustee of the Los Angeles County Bar Foundation;
- As a member of the Advisory Board of the Constitutional Rights Foundation (1980s); and
- As a member of the Board of Directors of the Western Center on Law and Poverty (1998 - 2005).

Stan has shared his knowledge with others. He has been a frequent speaker at programs presented by ABA

Business Law Section, Practicing Law Institute, the California Bankers Association, the International Bar Association, the International Bankers Association of California, and others. He has also written articles on a variety of subjects, particularly with respect to letters of credit and bank regulatory matters.

Community activities

Stan has also contributed to the community. He is a Member of the Board of Councilors, Thornton U.S.C. School of Music, and was a Member of the Board of Directors of the Los Angeles Opera (2000-2007) and a Trustee of the UC Berkeley Foundation (1989-1992). From 1984-2007 Stan served as a director of UnionBanCal Corporation and Union Bank, N.A. (and predecessors).

Personal life

Stan's wife of 33 years, Judith, is a former opera singer who, when they met, was the production manager of the Music Center Operating Company in Los Angeles. She currently serves as the Chairman of the Board of Overseers of the Huntington Library. They have two daughters, one a veterinarian and the other a writer. Stan is an avid hiker, gardener and reader of mysteries.

Conclusion

Stan has been a leading force in the development of banking, finance and commercial law. He has widely shared his skills and knowledge through his bar association and continuing education activities. He richly deserves this year's lifetime achievement award. ■

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