

## White Collar Group Of The Year: McGuireWoods

By **Stewart Bishop**



*Law360, New York (February 09, 2015, 9:02 PM ET)* -- McGuireWoods LLP's white collar team worked in 2014 to secure a recovery of more than \$342 million for victims of the ZeekRewards Ponzi scheme and scored a complete walk for a key figure in the public corruption scandal involving ex-Virginia Gov. Bob McDonnell, making it a Law360 White Collar Group of the Year.

The firm's roughly 55-member government, regulatory and criminal investigations department is based in Washington, D.C., with a strong presence in New York City, Richmond, Virginia, Chicago and Charlotte, North Carolina, and boasts a deep bench of ex-prosecutors from around the country.

Group Chairman John D. Adams, a former associate counsel to former President George W. Bush and a onetime assistant U.S. attorney for the Eastern District of Virginia, told Law360 this depth of experience has helped the firm as agencies have stepped up their enforcement efforts across the board in the wake of the U.S. Department of Justice's wave of litigation against banks in the wake of the financial crisis.

This talent includes Richard Cullen, who served as the attorney general of Virginia and the U.S. attorney for the Eastern District of Virginia; J. Patrick Rowan, an 18-year DOJ vet, who most recently worked as assistant attorney general for national security, and George J. Terwilliger III, a former deputy attorney general and U.S. Attorney for the District of Vermont — not to mention 10 former assistant U.S. attorneys and multiple former lawyers for the U.S. Securities and Exchange Commission.

"A lot of people have that," Adams said, referring to ex-prosecutors. "But we've got them across a neat array of space. We can tailor our representation to where you are and what you need."

The group's lawyers have had a string of wins at trial in recent years against the DOJ, Adams said, which leads to a much stronger position for the firm in talks with prosecutors.

"It makes you a much better negotiator when the government knows you're not afraid to take a case to trial," he said.

That savvy in deal-making was in display this past year in the highly publicized public corruption case against the ex-Virginia governor and his wife accepting approximately \$120,000 in gifts in exchange for promoting a donor's tobacco-based health supplement.

Attorneys from McGuireWoods represented that donor, former Star Scientific CEO Jonnie Williams Sr., and managed to secure a broad immunity deal for the client, who cooperated with prosecutors, in a case that led to the sentencing of McDonnell, once a rising star in the GOP, to a two-year prison term.

“The success in Jonnie Williams’ representation ... that was really unbelievable,” Adams said.

In another recent case of note, McGuireWoods partner and former Assistant U.S. Attorney Kenneth D. Bell was appointed as receiver for victims of an \$850 million Ponzi scheme that individuals ran through Rex Venture Group LLC, which operated penny auction websites Zeekler and ZeekRewards.

Bell has so far clawed back more than \$342 million on behalf of the approximately 840,000 potential victims, the largest number of known injured parties from a single Ponzi scheme in U.S. history.

It’s a somewhat familiar role for Bell, harking back to his years as a federal prosecutor in the Western District of North Carolina, but the sheer scale of the fraud and the increased fiduciary responsibilities as receiver has kept him on his toes.

“As a prosecutor, generally you deal with victims, but even in 18 years, I never had a case with 840,000 victims,” Bell said. “Investigating a fraud scheme is old business to me, but taking on the additional duties of a receiver — which is to figure out who the victims are, how to communicate with them, how to compensate them — you kind of have to figure it out as you go.”

Bell’s team has worked with the U.S. Secret Service to reclaim funds on various accounts in the name of Rex Venture from various financial institutions and have launched multiple lawsuits against those firms that have resisted.

The McGuireWoods group has also brought a putative class action for more than \$200 million against about 9,400 U.S.-based “net winners,” those who took more out of the scheme than they put in. The firm has brought similar actions targeting foreign net winners in Canada, Australia and the British Virgin Islands and has plans to bring another eight to 10 related suits in other jurisdictions. Two attorney-advisers for Rex Venture have also been targeted, Bell said.

He added that the team is very hopeful the firm can get the recovery for the victims at least up to more than 50 percent of their losses.

“It’s great work to have because what could be better as a lawyer than to be tasked with nothing more than finding the truth and compensating victims?” Bell said. “It’s a great way to spend your day.”

--Editing by Christine Chun.