

# JEREMY MARGOLIS

## Serving and Protecting White Collar Clients

by Amanda Robert

For 18 years, Jeremy D. Margolis woke up every morning with a mission.

He started his career as an assistant U.S. attorney in Chicago, and after 11 years he became the state's first inspector general. Three years later, he continued his work in the government sector when he took another top spot as director of the Illinois State Police.

Margolis, who today is a partner at **Loeb & Loeb LLP**, originally feared leaving government and entering private practice. He didn't want to lose his sense of mission. After four years with the Illinois State Police, he decided to make his move. Fortunately,

"I am as motivated today to serve and protect my clients as I ever was motivated to serve and protect citizens in general," Margolis says. "I'm just on a different mission. My feeling that every day I'm making a difference in people's lives and really adding value is completely unchanged."

Margolis entered private practice in 1991, working first at Altheimer & Gray and then at Sonnenschein Nath & Rosenthal LLP, where he served as partner and co-chair of the firm's white collar defense practice.

He became partner and co-chair of the white collar criminal defense practice group

concerning white collar defense and complex commercial litigation cases.

When asked what he enjoys most about his job, Margolis says he appreciates that people come to him for help with serious problems or worries about people or things that are important to them. His clients trust that he will help them through difficult situations and periods of their business, professional and personal lives, he says, and he takes seriously his obligation to them.

"What motivates me is that people put their faith and confidence in me and my partners, and it's very exciting, satisfying and daunting," Margolis says. "I really enjoy

### In the Government Service

Margolis was born in 1947 in Chicago. He attended Robert Emmet Elementary School and Austin High School. As a child, he studied martial arts and joined the swim team. He also did all of the things that city kids did—played in the alley, climbed roofs and got into trouble.

He wanted to be a submarine captain until he was 16, when he outgrew that idea and planned instead to work as an agent with the Federal Bureau of Investigation. He graduated from the University of Illinois at Urbana-Champaign in 1970 and entered the Northwestern University School of Law.

Margolis worked as a research assistant for Fred E. Inbau, who, he says, was not only one of the nation's leading criminal law professors, but also a rare, pro-police criminal law professor. Inbau introduced him to James R. Thompson, who was then working as a U.S. attorney in Chicago. Margolis worked on books with Inbau and Thompson and got a job as an intern in the U.S. attorney's office in the Northern District of Illinois.

"It was a very exciting place to be, and it trumped my interest in being an FBI agent," he says.

He graduated *cum laude* from the Northwestern University School of Law in 1973 and received an invitation from Thompson to join his office as an assistant U.S. attorney.

"That was at a time when the Chicago U.S. attorney's office was really making history," Margolis says. "For the first time, there were meaningful, powerful daily inroads into official corruption in a major city."

Chicago had always been recognized as a hotbed of official corruption, he says, but at that time, Thompson and William J. Bauer, who took the bench in the 7th U.S. Circuit Court of Appeals in 1974 and later served as chief judge, launched a "massive war" on official corruption in Chicago and Cook County.

Margolis worked as an assistant U.S. attorney for the next 11 years. He says that he "did all of the things that most assistants did and some things that other assistants didn't get to do." He worked in appeals and wrote and argued at least 32 cases in the Seventh Circuit. Some cases were small, he says, while others were large, complicated cases and investigations. He handled the



he says, he found out that the transition from public to private sector takes about 15 minutes and that the sense of mission goes with the person, not the job title.

at Loeb & Loeb nearly two years ago. He counsels and litigates on behalf of officers, directors and employees at public and private companies in grand jury investigations

the challenge of trying to do my level best every day to warrant their confidence, to protect them, to serve them and to handle whatever situation they're facing."

hiring in the office for a few years, he says, and was given extraordinary responsibility in matters of great importance—often national importance.

“I did a lot of national security work, and I was one of the country’s first terrorist prosecutors,” Margolis says. “I did a lot of work on terrorist cases back before it became fashionable.”

In addition to prosecuting cases that involved air hijackings and organized crime, in 1980 he prosecuted and convicted Illinois Attorney General William J. Scott for tax fraud. In 1983 he prosecuted the Tylenol extortion case in which James Lewis was convicted of trying to extort \$1 million from Johnson & Johnson after seven people in the Chicago area died after taking Tylenol laced with cyanide.

### **Empathy and Saving Lives**

Margolis says he was most motivated by cases where he felt that his involvement helped save people’s lives, such as when he conducted a long-term undercover investigation that led to the discovery of a string of terrorist safe houses containing massive amounts of bomb-making components. He says it was really gratifying to know that his work kept bombs from the streets and saved innocent citizens, police officers, firefighters and first responders.

“As a prosecutor, that was the most rewarding,” he says. “There are a billion things about that job that are rewarding, but knowing that you had a real impact and perhaps saved people’s lives is the most motivating thing there.”

Richard W. Porter, P.C., a partner of Kirkland & Ellis LLP, met Margolis through one of his partners and mentors at the firm. Porter often asks Margolis for an outsider’s perspective on issues or cases, he says, because he trusts his judgment and believes that he has “a good gut with how the legal process works in his world, generally with commercial matters.”

“I think he has a keen understanding of the system and a clear understanding of the prosecutor’s perspective,” Porter says. “He’s a very empathetic guy, and he’s able to bring the complexities of real life and explain them to prosecutors who are often kind of black-and-white and not always focused on the right result.”

Porter says he has referred a number of matters to Margolis or asked him to join in his cases as special committee counsel.

“He’s one of these guys who have been around the block and knows everybody in town,” he says. “He’s fought it out on both sides. He’s an experienced war horse and a great guide in a difficult situation.”

In 1984, Thompson, who was then governor, asked Margolis to become the state’s first inspector general. Margolis wrote the executive order that established

the office, and he helped the governor combine in one office all of the licensing, regulatory and criminal enforcement power of every state agency.

“The governor and I would establish particular regulatory or enforcement priorities that we wanted to focus on, and then using the resources drawn from various arms of state government, with authority that we placed into this office through the governor’s executive order, we attacked a lot of problems that the governor felt were very important and impacted the lives of people, such as child abuse and neglect, abuse of the elderly and environmental issues.”

In 1987, Thompson hired Margolis as the director of the Illinois State Police. The four state police directors nominated by Thompson were all former prosecutors, Margolis says, because he regarded the job as the most important in state government. The governor felt that they kept the state clean, he says.

Margolis says his most important function during his years with ISP was to serve and protect the people who serve and protect.

“As the head of any law enforcement agency, it’s your job to see to it that the men and women who serve with you are kept safe, kept free from political influence, and are allowed to do their jobs unimpaired for the citizens that they serve,” he says.

Margolis helped meet this mission by providing training and resources and promoting a team spirit that helped his officers work together in the most safe and effective way.

“My main mission every day at the ISP was to see to it that every single officer came home safely from every tour of duty,” he says. “That’s number one.”

### **Master of Defense**

In 1991, Margolis moved into private practice. He joined Altheimer & Gray, a Chicago-based firm with a large overseas practice. He worked as a litigator, representing people and companies in white-collar criminal investigations. He also chaired the litigation department that had nearly 40 lawyers.

When the firm went out of business in 2003, Margolis transferred to Sonnenschein Nath & Rosenthal LLP. He continued his practice in white-collar criminal defense and special investigations for companies and their boards of directors. He also worked some in commercial litigation.

Margolis moved to Loeb & Loeb LLP in April 2008.

He says that in private practice, the more troubling, frightening and challenging the situation facing the client, the more motivating and rewarding it is for the lawyer who helps him or her meet that challenge. On the white collar side, he says, there are

few cases that he feels comfortable discussing with others.

“The greatest victories you have are victories where no one ever knows,” he says. “The investigation comes and goes. There’s never a word in the newspapers. No charges are brought. The people are able to continue their lives unimpaired. Those are the greatest victories and the most motivating and satisfying challenges that you face, and no one can ever know about them.”

“You meet the challenge within the rules of the game, you understand what you’re able to do and not do, you work hard and do your level best to see to it that the government realizes that they made a mistake,” he continues. “Or that the government realizes that even if they think they’re on the right track, they’re never going to get there.”

A. John Pappalardo, a co-managing shareholder at Greenberg Traurig LLC and a former U.S. attorney for the District of Massachusetts, met Margolis in 2003 when they served as co-counsel in a series of cases involving TAP Pharmaceutical Products. They represented 11 company officials who were accused of bribing doctors and hospitals and defrauding the government of millions of dollars. After a three-month trial, the court acquitted or dismissed the federal charges against all of the officials.

Pappalardo says that Margolis embodies qualities that serve him well as he practices law against governmental agencies. He’s not only bright and competent, he says, but he provides excellent trial instincts.

“He’s extremely creative in his approach,” Pappalardo says. “He’s not someone who paints by the numbers. He takes positions that are different positions and follows through on them. He’s very good with people. He has a strong skill set in interpersonal relationships. Those cause him to stand out against the crowd.”

Margolis says he deals with challenges in the criminal practice, such as the inherent disadvantage for the defense in the federal sentencing guidelines. He says that the U.S. sentencing guidelines removed discretion from the judges of the district court and transferred it to the prosecutor. The prosecutor can charge a case in one way or another, he says, and control how the guidelines are applied.

“Government lawyers have been given more power than they ought to have by the sentencing guidelines,” he says. “That I’d like to see changed. It’s somewhat problematic.”

The other challenge Margolis faces involves the financial inequity between the government and the clients that he represents. It’s expensive for a client to meet a government challenge, or even for a client to respond to a third-party witness subpoena, he says. It’s also unfair when

clients are unable to afford the representation that they need. He says that the government finances its cases from tax dollars, so the cost-benefit analysis doesn’t apply to prosecutors in the same way that it applies to private litigants.

“There’s a different way of considering how much money you spend on a situation when it’s your money out of your pocket that if it’s just tax dollars out of a budget,” he says. “The amount of skin in the game, so to speak, that is present for a private person or a private entity that comes up against government as opposed to the skin of the game of government lawyers or agency heads that are launching 1,000 ships is a real disparity.”

### **Down-to-Earth, Genuine, Reliable**

Lee S. Hillman, chairman of the board for RCN Corporation, met Margolis before he entered private practice and has since become a client and a close friend. He has dealt with Margolis in many matters in his capacity as an officer and director for large corporations. Margolis helped those corporations and their employees, he says, to resolve issues before they got out of hand.

“Jeremy speaks in plain language, he uses terminology that his clients can understand,” Hillman says. “He’s sensitive to his clients’ backgrounds, their business, their environment, and he understands how to communicate very well.”

Hillman also describes Margolis as down-to-earth, genuine and completely reliable.

“When Jeremy says he’s going to do something or be somewhere, he’s there,” he says. “We can count on him.”

When asked to describe himself, Margolis says that he’s honest, caring and focused on the people and things that he cares about, both as a lawyer and as a person. He adores his wife Wendy and their two daughters, 34-year-old Laura and 32-year-old Shana, and his 2-year-old grandson Jackson. His daughter Laura has another boy on the way, Margolis says. Jackson already named him “Baby Rocket.”

“Whatever my daughter names him, it won’t matter,” Margolis says. “His name is going to be Rocket.”

Margolis enjoys doing anything with his family. He calls the weekends a “family fiesta,” since they’re usually boating, cooking, playing and acting silly together. He says he loves his life and wishes that he could do the things he does now for another 100 years.

“I’m very fortunate,” Margolis says. “My family is well cared for. There’s nothing that I need that I can’t have. My health is good. I’m surrounded by people that I love and enjoy. I like what I do. I don’t think it gets better than that. I’d just like to do it for a really long time.” ■