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### The Accountants v. The Lawyers



If you're a lawyer working in the securities law world, you're going to be working with some accountants. And those accountants will be working with you lawyers.

Given that my first job out of law school was working at the SEC, my first real exposure to accountants was there in the government. Each branch in Corp Fin — structured by the industries of the companies whose filings we reviewed — was nearly equally populated with accountants and lawyers.

We lawyers would work alongside the accountants, but we were not given much training in what duties they performed And vice versa. That may have changed somewhat by now — maybe not.

What was strange is that most of the managers in Corp Fin are lawyers - but it's the accountants that give the most meaningful comments when reviewing SEC filings. They can stop a deal dead in the water with a single comment. It happens all the time.

The domination by the lawyers within Corp Fin in terms of management is curious. Probably is that way as a historical thing. Or maybe it's due to the fact that there are few accountants within the SEC's other Divisions. I'm not sure.

I should say it didn't feel like a competition in the least. At least to me. But since I'm a lawyer, I hardly noticed the imbalance in leadership. The perspective of the accountants within Corp Fin could be different. Perhaps they notice and care.

I'll say that when you go in-house, there is at least parity between the two. In fact, I would go as far as to say that the CFO has more power than a company's General Counsel within most companies. The Controller also carries some real heft. And when it comes to outside advisors, I imagine the independent auditor is more important to a company than any one of its bevy of law firms — or perhaps even all those law firms combined. The independent

auditor is probably the most tightly connected outside party to a company's lifeblood.

When working on a deal, a merger, an IPO or secondary offering, it's the lawyers that tend to run the show — with the underwriters and auditors playing a secondary role until it's time to market and sell the thing. That's when the underwriters spring to life and do their job.

Anyway, I love my accountant friends. Accountants are people too. I fondly remember going to the bar the first time with a bunch of them back in my SEC days and when it came time for the check to arrive, one of them whipped out a calculator and figured out the precise, itemized tab — right down to the penny. "You owe \$6.24. And you had two drinks so you owe \$13.73." No one batted an eye. I still laugh about that...

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