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Columbia. A “Meet The Regulator Roundtable” session will take place at the ACC Annual Meeting in San Francisco, Session 209 - *Who’s the Regulator in the Room? Regulations on Kickbacks, Money Laundering, and More* including Brian Stretch, U.S. Attorney, Northern District of California; the Honorable Erin Schneider, Associate Regional Director for Enforcement, SEC, San Francisco Regional Office; and a representative from the CFPB.

For more details, or if you are interested in organizing a Roundtable in your area, please contact Mary Blatch [m.blatch@acc.com](mailto:m.blatch@acc.com), Dawn Haghighi [dhaghighi@aol.com](mailto:dhaghighi@aol.com) or Laura Dorman [ldorman@thinkbrg.com](mailto:ldorman@thinkbrg.com).

### *Thank you to the ACC Team:*

The Real Estate and Financial Services Committees extend their gratitude to Amar Sarwal (Vice President and Chief Legal Strategist), Tori Payne (Associate

Vice President for Leadership Development), Mary Blatch (Director of Government and Regulatory Affairs), Justin Connor (Sr. Counsel and Director of CLO Services), Latoya Tapscott (Membership Coordinator) and Betty St. Marie (Executive Director, ACC SoCal).

## **Crisis Means Waiting to Say You’re Sorry: 10 Things to Say When Confronted With a Crisis**

**By Stephen M. Nichols, Polsinelli**

“Remain calm and under no circumstances should you say that you are sorry.” This is the mantra that my wife (also an attorney) and I drilled into our three children’s heads as we taught them to drive when talking about the inevitability that they would be involved in an automobile accident. Explaining why took a bit longer, but they eventually understood that in times of crisis, people often say things that they will regret. In the moment, without all of the facts, what they say might be wrong. An apology or expression of sorrow might be misinterpreted as an admission of fault.

We also taught them that when they speak, all they will hear is what they already know but that when they listen, they will learn new things.

Both recommendations hold true in just about any situation which one might deem a “crisis.” Being prepared to respond quickly and appropriately to an unanticipated event has a lasting impact on the credibility and reputation of those involved long after the crisis has been forgotten. The ripples created as a result of a crisis – whether good or bad – travel far and wide.



Most corporations and the attorneys who represent them know what to do when a lawsuit is threatened, filed or served. What does one do, however when one comes into possession of facts that would support a claim of wrongdoing internally? How does one respond when caught off guard by a phone caller with lots of questions about an

event that is unfolding? What does one do when one realizes that he or she has answered a dozen questions during that call before realizing that the caller had said that he or she was calling on behalf of a local news station? Although the response to any crisis must be tailored to the specific event, the following common sense recommendations may be of assistance in times of crisis and should assist in maintaining credibility and aid in the continued building of a good reputation.

1. Listen – “Please tell me everything you know.” Take the time when initially confronted with the crisis to learn everything you can from anyone who contacts you. Write down all you learn.

2. Respond – “We are gathering as much information as is available at this time and will be able to answer questions when we have all of the facts.” Responding to questions at the initial stages of a crisis when all of the facts are not available is risky. Let the person who is asking the questions know that you are not avoiding their questions, but that you simply do not have enough information to respond appropriately.
3. Notify – “We are notifying all appropriate personnel so that the proper responsive action can be taken as quickly as possible.” Know ahead of time not only who the key people are who should be notified in order to develop an appropriate response, but how to get in touch with them 24/7. Is this an IT issue? Is it a human resources matter? Is there suggestion of criminal activity? Who do I call?
4. Gather – “We are obtaining information from all other sources available.” Gather information from all logical sources to get the whole picture.
5. Assess – “Once we have obtained all of the available facts, we will be in a position to assess and respond



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- to the situation. We are doing that as quickly as we can.” Evaluate and assess all available information before taking what would otherwise be uninformed action.
6. Develop a Plan – “At that time, we will determine what steps should be taken immediately and in the future to address this situation.” Develop a response plan that has all required approvals.
  7. Educate – “Once that has been completed, we will let you know what is being done.” It is important to be sure to promptly get back to whomever it is that initially brought the issue to your attention to let them know that you are taking action. This is a critical step in maintaining credibility. In order to deliver a consistent message, it may be appropriate to designate a specific spokesperson. Depending on the nature of the crisis, it may also be appropriate to issue a press release.
  8. Be Flexible – “If you obtain any new or different information, please let us know as we are continually reassessing the situation.” The speed with which each of these steps can reasonably and adequately be accomplished will necessarily vary. A plan put together to deal with an acute issue may need to be updated as more information becomes available or if the initial plan does not fully address the issue. Be prepared to change course.
  9. Own it – “We will do everything we can to appropriately address this issue and (if appropriate) take steps to prevent it from occurring in the future.” Nothing can be worse than running from, hiding or denying that bad things have happened. More often than not it is an incomplete truth, misrepresentation, or improper denial that remains at the front after the crisis is resolved and which destroys credibility and reputation. (My children would all tell you that they got in far more trouble for such conduct than they did for the actual event about which they were not completely forthcoming.)
  10. Choose your words carefully – Saying “Our thoughts are with those involved” is far different than saying “We are sorry for what happened.” There is some debate about whether, how and when an apology should be made. Once the crisis has been resolved, it may be appropriate to make a statement to express empathy or sympathy.

String the quoted sentences in the first nine paragraphs together for a suggested immediate crisis response. Follow the recommendations in this article as a basic guide on how to deal with the crisis that will inevitably fall into your lap.



## Member Moves, Promotions & Recognition

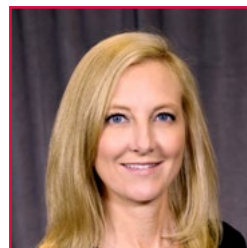


ACC SoCal Chapter President and GC Public Storage, Lily Yan Hughes, was profiled in the National Law Journal. Her advice for aspiring GCs? “You need to be a business executive first, who uses their legal expertise to help the company succeed and drive change. You also have to be adept at risk analysis, seeing risks around the corner.” [Read the full article.](#)

Lily was also recognized as one of the [Top 50 Women Lawyers National Diversity Council.](#)



John Kedeshian, former Senior Legal Director for Yahoo! Inc is now Vice President & General Counsel of Cast and Crew Entertainment Services.



Lisa Hatton Harrington, ACC SoCal Membership Chair and former GC Surfair, is now General Counsel ASICS America



Rob Lindquist, former ACC SoCal Chapter President (2001-2002) and Chief Compliance Officer for Panasonic Avionics Corporation, received the Global Counsel of the Year award from Globe Business Media Group in partnership with the Association of Corporate Counsel.