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Palantir, ex-TPG exec Bill McGlashan, and Elon Musk have all tapped John Hueston for legal firepower. Insiders explain how the one-time Enron prosecutor became a fixer for the rich and powerful.



Reuters / Shannon Stapleton

Tesla CEO Elon Musk leaves Manhattan federal court with attorney John Hueston.

By Casey Sullivan

- If you're an executive facing a legal crisis and have anywhere between \$1,000 to \$2,000 an hour to spend, you might consider turning to John Hueston.
- Palantir, the data analytics company Peter Thiel funded, tapped Hueston when it found itself getting nowhere in a trade secret lawsuit. So did Elon Musk, when the SEC claimed he violated a settlement over his infamous "funding secured" tweets.

- Hueston is also defending Bill McGlashan, the former TPG exec charged in the college admissions scandal.
- Business Insider took a deeper look at the man responsible for the fate of the powerful people and companies that we cover.

If you're an executive facing a legal crisis and have anywhere between \$1,000 to \$2,000 an hour to spend, you might consider turning to John Hueston.

He's the lawyer who Peter Thiel's data analytics company, Palantir, turned to when it found itself getting nowhere in a trade

secret lawsuit. He represented Elon Musk when the SEC claimed he violated the terms of a settlement over his infamous “funding secured” tweets. And he’s defending Bill McGlashan, the former TPG exec charged in the college admissions scandal.

We reviewed court records and talked to a dozen insiders including friends, colleagues, and competitors, to learn how the one-time prosecutor who grilled former Enron Chairman Ken Lay in one of the biggest corporate fraud trials in history has turned into a fixer for the rich and powerful.

His website for the law firm Hueston Hennigan has a scrolling testimonials section featuring one-time clients including actor Alec Baldwin and execs from corporations like T-Mobile, BlackBerry, and Waste Management. And if the firm’s docket and 2020 schedule is any indication, it stands to add a few more.

“He can effectively present to any audience, whether it’s a board or a jury or the Supreme Court,” said Wayne Gross, a lawyer who has worked closely with Hueston, as far back as the 2000s when they were both prosecutors, as well as in recent years, while working in private practice.

Other colleagues pointed to a mix of boldness and media savvy, with an energy that’s led him to climb mountains and ride his bike cross-country while carrying his laptop and cell phone to stay in touch with clients.

“He has a rare combination of being willing to do any work it takes to know the case as well as anyone else, but also be nimble and find a path that others haven’t thought of,” said Robb Adkins, a white collar defense partner at Winston & Strawn, who is also a longtime friend.

Palantir fires Boies Schiller, hires Hueston

That reputation led Hueston to Palantir, the Peter Thiel-funded data company which had grown frustrated with delays in a trade-secrets case. At some point in 2019, it fired lawyers at Boies Schiller Flexner – the firm founded by famed trial attorney David Boies – and brought Hueston in to supercharge the case.

Palantir, founded in 2003, sells software and analytics tools to US government agencies. Immigration and Customs Enforcement was reported to have used Palantir as part of an immigration crackdown under President Donald Trump.

The secretive company was last valued at \$20 billion, and there’s been much speculation about when it might finally pursue an initial public offering.

One of the biggest legal issues currently facing the company is a longstanding dispute with an early investor, Marc Abramowitz, who had a falling out in 2015 with CEO Alexander Karp.

Abramowitz says Palantir blocked him from selling \$60 million of shares and is investigating possible fraud at the company, while Palantir says Abramowitz stole trade secrets and used them to set up a competing business.

After three years in court, including back-and-forth deliberations about the nature of trade secrets Abramowitz is alleged to have misappropriated, there has been no discovery conducted against Abramowitz, even as a June 2020 trial looms ahead.

In late December, Hueston filed a motion in California court pursuing discovery against Abramowitz, and referenced a new claim he added under RICO – a racketeering law often cited by prosecutors when going after organized crime, and a more aggressive accusation than trade secret misappropriation.

Boies Schiller did not respond to requests for comment about Hueston’s involvement. Neither did attorneys at Skadden who are representing Abramowitz.

Hueston advises Elon Musk

In February, Hueston represented Elon Musk when the billionaire entrepreneur got into hot water with the Securities and Exchange Commission for tweeting what the securities regulator said was fraudulent information about Tesla’s business.

Musk had already entered into a settlement with the SEC for tweeting the words “funding secured” in August 2018, which suggested to many observers that he could take Tesla private at \$420 a share. The SEC called those tweets misleading, and a go-private deal never happened.

As part of the SEC settlement, Musk forfeited his role as chair of the Tesla board for three years, paid \$20 million, and agreed to have his tweeting monitored by lawyers.

Then, months later, another tweet – this time, inaccurate sales projections which he later corrected – provoked the SEC to file another legal action against Musk, claiming he was in violation of the settlement.

That’s when Hueston was called in to iron things out. He argued that Musk had been perfectly cooperative with the SEC, despite his view that the Twitter restrictions raised First Amendment concerns. And, he said, that the SEC’s action “smacks of retaliation and censorship” after Musk was critical of the agency in a CBS interview.

After some jockeying in court, the matter was resolved with Musk’s CEO position intact at Tesla and he and Hueston appeared outside the courtroom steps in the Southern District of New York, fielding questions from reporters.

Hueston picks up McGlashan as a client

It was around the same time that former TPG executive Bill McGlashan, who was charged by U.S. prosecutors of paying to falsify his son’s record in an attempt to get him into the University of Southern California, was on the phone with Hueston about his own legal problems.

In the McGlashan case, Hueston interviewed as many as four parents for possible representation after a sweeping March indictment netted 33 accused of paying a consultant to create fake profiles and exam scores for their children to gain entry into top universities.

People familiar with the process said that Hueston went with Hollywood private-equity mogul McGlashan, at least in part, because he was willing to fight the charges rather than cop to a plea agreement with prosecutors to make the matter go away.

Later in the year, Hueston attacked the prosecutors charging McGlashan, peppering them with discovery requests and asking for any documents that could show he had been unaware of the fraudulent scheme orchestrated by the consultant he paid, Rick Singer.

From Enron prosecutor to a friend to big business

Hueston has always been known as aggressive. He made his name in 2006 when he received public recognition for his role as the attack-dog prosecutor grilling former Enron chairman and CEO Ken Lay in one of the biggest corporate fraud trials ever.

Hueston had been called in from Southern California to Houston to work as one member of a special Justice Department task force investigating the events that led up to Enron’s collapse in 2001.

He proved himself to be dogged in mounting a case against Lay, while others investigated onetime CEO and COO Jeffrey Skilling, as well as other executives. By the end of it, both Lay and Skilling were convicted on fraud and conspiracy charges, and Hueston's work was covered in lengthy profiles.

Afterward, Hueston joined the law firm of Irell & Manella, where he switched sides and, instead of holding corporations to account for wrongdoing, decided to make bank – earning millions defending corporations and wealthy people in both criminal prosecutions and civil business disputes.

Split identity

At times, Hueston has wrestled with whether he has wanted to continue on as a defense lawyer, according to people who know him.

In 2014, while working at Irell, he applied for the role of U.S. Attorney of the Central District of California, the most populous district in America. It involved an extensive, weeks-long application process, including reference checks, a list of cases and judges he appeared before, as well as names of opposing counsel.

“Making the decision to apply, I think, really was driven by a continuing desire to be a public servant,” said Brian Hennigan, Hueston's law partner.

He was interviewed by Senator Dianne Feinstein, who would make the recommendation as to who would be the next U.S. Attorney for the Central District, appointed by then President

Obama. They went with an internal hire instead: Eileen Decker, who served from 2015 to 2017.

Shortly after, he launched Hueston Hennigan, where he set out to handle high-stakes cases that are also in the public interest.

Both plaintiffs and defense

Since starting the firm, he's taken on both plaintiffs and defense-side cases, and some at discounted rates.

That includes representing Navajo Nation, an American Indian territory which has sued the EPA and other parties they say are responsible for a 2015 gold mine waste spill in Colorado.

The cases that don't fall into that “low bono” category, however, are often not pretty.

At one point, he represented Corinthian Colleges, the onetime for-profit college chain that was investigated by attorneys general for fraud, including fake job placement statistics, over-promising a flowery future to prospective students and then charging high prices for tuition and racking up student debt.

Both then-California attorney general Kamala Harris and the federal Consumer Financial Protection Bureau accused the school chain of financial improprieties.

The school chain filed for bankruptcy and Harris won a \$1.1 billion judgment against the defunct company in 2016, yet, thanks to Hueston's involvement, none of its executives were criminally charged. All penalties remained financial.