Through 30 years and multiple board seats, Simpson has never hesitated to speak out if he felt companies were headed in the wrong direction.
Long before we had Sarbanes-Oxley, we had Lou Simpson," says three-time fellow director Tom Young. Young has served with Simpson at Potomac Electric Power, Salomon Brothers, and Science Applications International Corporation (SAIC). "Lou has raised the standard of boards and management everywhere."

By everywhere Young means not just their three boards in common but those of more than a dozen publicly traded corporations spanning thirty years and many industry sectors. Colleagues admire Simpson for his steady, long-term, 'stay-the-course' approach to success and his dogged determination to root out weakness, and they say he has contributed to every aspect of corporate governance.

As President and CEO Capital Operations at Berkshire Hathaway-owned GEICO Corporation for the past 27 years, Simpson is in the inner sanctum of one of the most successful and admired management teams in American corporate history. "You only need to read what Warren [Buffett] has to say about Lou to know how good he is," says Sam Butler, retired partner at Cravath, Swaine & Moore LLP and former non-executive chairman of GEICO. Buffett has named Simpson as a potential successor.

Young recalls an instance on the SAIC board when Simpson was on the audit committee and mentioned at a board meeting that he wanted to look into a particular item. The long-serving CEO said he did not think it was necessary. "Lou said, without missing a beat, 'Anything a CEO doesn't want me looking into is exactly what I want to look into,'" recalls Young. From there, the relationship went from bad to worse as Simpson pushed for a succession plan which was blocked at every turn by the 80-year-old founder. Eventually Simpson resigned in frustration in 2002. But his resignation served as a catalyst, and by 2003 a succession planning program was in place.

Bill Roper, executive vice president in charge of Strategic Developments at SAIC, describes Simpson as "the best outside board member the company has ever had" and credits him with guiding one of the single most important financial decisions in the company's history.

SAIC held a very large position in a highly volatile security, and the board, although uncomfortable with the exposure, could not come to a hold-sell decision. Simpson, lending his sophistication in the financial sphere, devised a hedging strategy that was implemented through an intermediary. Although designed to straddle the risk-reward equation, the hedge won big on both sides, and the cost of those returns. I can say that Lou was the best representative of shareholders on the board," says Lillis.

This was particularly useful in 1999 when rival Comcast put an unsolicited all-stock offer on the table. "There was a certain desire to liquefy paper wealth while the getting was good," Simpson recalls. "I think I helped slow the process down."

In the interim, AT&T came in with an even higher offer. The deal called for a MediaOne director to join the AT&T board, and Simpson agreed to take on the seat in 2000. What he found when he got there was an eye-opener. "It was a tougher business than I imagined and ultimately earning the company around $1 billion and losing nothing.

In the ultimate corporate compliment, in mid-2006 Simpson was asked and agreed to rejoin the SAIC board under its new leadership. Although he will only serve one term before bumping up against the director age limit, lead director Young says, "Two years of Lou is equivalent to a lifetime of anyone else."

Simpson's career as an independent director has also seen a sequence of three relatively brief but notable stints on telecommunications boards. The triad began when USWest was planning to spin off its growing cable business with Chuck Lillis at the helm of what would become MediaOne.

When looking to put together his new board, Lillis recalls asking the three largest institutional shareholders for their recommendations for board members. Two of them independently identified Simpson. "Lou was what I call a pure economic investor. He was incredibly disciplined about our returns deteriorating faster than I ever could have imagined!" he exclaims. Simpson was given the role of finance committee chair where he discovered that, owing to a massive amount of short-term debt and ratings downgrades, AT&T was at the brink of bankruptcy.

Ma Bell had paid a punishing $110 billion for MediaOne and Tele-Communications, Inc. (TCI), and the broadband business was still lagging its industry peers. Despite the harsh realities, AT&T Chairman and CEO Michael Armstrong was holding on to his plan of breaking the company into four independent entities. They had just spun off AT&T Wireless and, unrealistically according to Simpson, were talking of doing the same with the broadband business.

When Comcast came with a mere $58 billion offer for AT&T's broadband business in 2001, Simpson felt strongly that it be vigorously pursued for survival. During due diligence, he pushed to open the bidding up to other potential buyers. They entertained several competi-
show for it was a good tax write-off" he laments. Young adds that Simpson
found the business, consisting of 32
aircraft at its peak, to be overvalued on
the books and insisted that there was
no real economic value in continuing,
particularly when competitors GE and
AIG monopolized the best aircraft and
leases. Simpson spearheaded the move
to properly value the business and then
exit it altogether, allowing Pepco to re-
direct capital into its growing telecom-
munications business.

Conversely, no one is better at know-
ing when to stay the course when it is
appropriate. There was a time in 2005
when VeriSign was considering giving
up on an Internet communications
business that was experiencing soft-
ness. Roper, as lead director, describes
Simpson's typical steady-handed guid-
ance: "Never one to follow short-term
trends, Lou assured us that, if we are
getting good answers to good questions,
the right thing to do is hang in there."
Do we have a good strategy? Have the
fundamentals changed? Are there any
"deal-breakers" in the market? Do we
support the management team? "When
everything came up positive, we hung in
there," says Roper. "The business is now
back on track and we are very happy we
stuck with it."

Every boardroom situation—the
people, the businesses, the issues—holds
a special place in Simpson's heart.
Whether the tenure was long or short,
successful or tumultuous, he speaks of
his time on every board with love for the
richness it has added to his life. "My
main gift is to bring a rigorous process
for allocating capital," says Simpson.
But there is more to the man than
dollars and cents. Simpson is an avid art
collector, inveterate hiker, and dedicated
philanthropist. After years in Southern
California, Simpson finds himself back
in his hometown. He and his wife
Kimberley, a native Texan and chemist,
are settling into a new life in Chicago,
and already deep into local causes
including a major project to improve
public schools.

ing offers but Comcast prevailed.

Simpson fully intended to resign
from the board once the deal went
through in 2002. But during negotia-
tions he ran into Comcast's father and
son leadership team, Ralph and Brian
Roberts, at Paul Allen's conference in
Sun Valley. Dave Dorman, AT&T presi-
dent at the time, reports that "Roberts
convinced Simpson to join the Comcast
board, and Lou agreed to help get the
deal done."

Ever the guardian of best practice,
Simpson pushed hard at Comcast for
separate meetings of the independent
directors at every board meeting. While
standard practice on many boards, it
had never been done at Comcast and
took many months of persistent persua-
sion to be accepted by Roberts.

"Lou was a fantastic, strategic direc-
tor," Brian Roberts, now chairman and
CEO of Comcast, says of Simpson's
one and one quarter years on the Com-
cast board. "He has a very long-term
perspective and always looked out for
the company."

Nevertheless, Simpson abruptly
resigned from the Comcast board when
it began to formulate its unsolicited bid
for The Walt Disney Company. Not
only did he think it was a bad idea and
that they would not get it, it rubbed
against his Berkshire Hathaway grain.

"At Berkshire Hathaway we have always
believed that you see and get more inter-
esting things with the friendly approach," 
says Simpson, describing the company's
long-standing practice of avoiding hostile
activity. In the end, his comments proved
prescient. The bid collapsed.

Nothing drives Simpson crazier
than being in the wrong business for
the wrong reason. He fought tooth and
nail to get Pepco out of the aircraft
leasing business. "All they had to