

**CA retains three firms for CEO, CFO search.**

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NEW YORK, May 14 (Reuters) - In an unusual move, Computer Associates International Inc. (CA.N) has hired at least three executive search firms to help fill some top positions vacated amid an accounting scandal, according to people close to the matter.

The Islandia, New York, software company, which has been the focus of a long running criminal probe, said it is in no rush to find a permanent chief executive officer and chief financial officer. But retaining three top recruiters at the same time indicates an apparent sense of urgency to fill its top slots.

Computer Associates pushed out at least 15 employees, mostly from finance and legal departments, in recent months. Manpower issues even forced CA to delay its fourth-quarter results.

Board member Kenneth Cron now serves as interim CEO, replacing Sanjay Kumar, who stepped down last month. Jeff Clarke, who was hired as CFO on April 1, was promoted to chief operating officer.

Computer Associates is looking for a "world-class leader," but established managers may balk at the opportunity because the next two years are not likely to be a lot of fun, recruiters said. Whoever takes the job needs to wade into deep and treacherous legal waters as the government investigations are still dogging the company.

"Troubled companies need to look for people who are attracted to those kind of situations," said **Peter Crist**, a Chicago-based executive recruiter. ("You have to have a risk gene in your makeup to do that. Honestly, a great percentage people don't have that risk gene.")

In this environment, an out-sized package is unlikely to be offered to compensate the risks, especially after Computer Associates angered investors in 1998 by awarding three executives \$1.1 billion in stocks.

At least one possible candidate has removed himself from the list. Steven Mills, who runs software operations at International Business Machines Corp. (IBM.N), said he is not interested in the CA job. A fellow IBM executive recently left Big Blue to take the helm at Siebel Systems Inc. (SEBL.O).

"I am very happy at IBM. I am not going to CA," Mills said in an interview. "I run a very large software business here - many, many times larger than CA."

"I have what I consider to be the most exciting job in the software industry," Mills added. "I have no interest or desire to leave it or do anything else."

BIG RISK, HIGH RETURN

Nevertheless, the world's fifth-largest software maker should also be able to attract good candidates because its business is strong, analysts say.

The company is expected to post a full-year net profit for the first time since it moved to more conservative sales accounting. Cash flow from operations is anticipated to top \$1.25 billion for the year ended March 31.

Computer Associates also has business luminaries and corporate governance experts sitting on the board, which could be a big draw for proven managers.

"One of the most important things in attracting the talent is how strong the company's board is," said Russell (Trey) Reynolds,

president of Directorship Search Group.

CA director Jay Lorsch, a Harvard Business School professor, is leading the search for a new CEO. The board has started meeting with candidates, according to a person close to the matter.

Leading the search at Heidrick & Struggles is Vice Chairman John Thompson, who is credited for luring Mike Lawrie away from IBM earlier this month to join Siebel Systems as CEO.

Richard Spitz, global managing director at Korn/Ferry International (KFY.N), helped place four executives at CA last year. He is helping recruit a new general counsel and others.

The CFO search is handled by Spencer Stuart, said another informed person. CA declined to comment on the search.

Top executives who have joined troubled companies include Former Compaq CEO Michael Capellas now with MCI, and Ed Breen, once CEO at Motorola Inc. (MOT.N), who currently serves as CEO of beleaguered conglomerate Tyco International (TYC.N).

The experience could be rewarding, said Bill Nuti, who joined embattled Symbol Technologies (SBL.N) from Cisco Systems (CSCO.O). "The last two years have been absolutely horrendous," said Nuti. "The silver lining is I have made myself a much more valuable executive." (Additional reporting by Caroline Humer).

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