

Trend Spotlight

Law firms beef up to lure corporate clients

BY NEIL ADLER
STAFF REPORTER

Bryan Brewer says he couldn't pass up the chance to join a law firm in Washington with a growing corporate practice here and in other key cities.

Brewer, who had been a partner with Nixon Peabody LLP since early 2000, moved to Crowell & Moring LLP over the summer to become part of its expanding corporate group.

Crowell & Moring's corporate practice has ballooned from five attorneys in 2001 to about 35 today, with the majority of them in D.C.

District-based Crowell & Moring plans to add more corporate attorneys, in D.C. as well as in New York and London, in the near future, said Jim Stuart, chair of the firm's corporate group.

"We've gotten a lot of traction," he said.

Corporate attorneys such as Brewer focus on transactions such as private equity deals, mergers and acquisitions, venture capital funding, joint ventures and stock offerings, concentrating on various industries such as technology, life sciences, telecommunications, media and financial services.

As some of these business sectors have matured in the Washington area of late, more law firms are trying to capitalize on the money flowing through the region. That has led local law firms to expand their corporate practices.

"I think there's significant opportunity in D.C." to grow a corporate group, Brewer said. "You have a lot of different industry sectors here."

Recent examples of law firms, other than Crowell & Moring, expanding their corporate practices in the District are numerous. Among them:

■ Trevor Chaplick joined Proskauer Rose LLP in its corporate department as a part-



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THE PRACTICE: Crowell & Moring executive H. Bryan Brewer III, with fellow executive James R. Stuart III, left, sees significant opportunity to grow corporate practice business in the District.

ner and co-head of its D.C. office, as the firm embarks on a substantial expansion in the District. Chaplick previously was at Wilson Sonsini Goodrich & Rosati PC.

Proskauer Rose has about 40 attorneys in D.C., and that office could reach 100 or more attorneys over the next few years. Some of these folks will work in the corporate practice. "I don't think there's any

limit to our growth here," Chaplick said.

■ Locke Liddell & Sapp PLLC, which on Oct. 2 merged with Lord Bissell & Brook LLP to form Locke Lord Bissell & Liddell LLP, has added 13 attorneys in D.C., including 12 from Katten Muchin Rosenman LLP, who primarily work in corporate finance and real estate.

The newly combined firm has about 35

attorneys in D.C., and it plans to reach 50 in the near term and 75 to 100 down the road, said Jerry Clements, chair of Locke Lord Bissell & Liddell. The corporate practice will play a key role in this firm's growth in the District.

■ DLA Piper US LLP brought on three partners to its corporate and finance group, including Rusty Conner, who is co-heading DLA's District office. Conner and the other two attorneys previously served as partners at Alston & Bird LLP.

■ At Brown Rudnick Berlack Israels LLP, Fred Levy and Catherine Gardner joined the corporate and securities department after previously working as partners at Sonnenschein Nath & Rosenthal LLP. Brown Rudnick recently moved into a larger office in the District, where it plans to grow its base of attorneys, including those in the corporate area.

Historically, law firms in Washington have catered more to regulatory and government relations efforts, as well as energy and health care.

In recent years, though, the local economy has shifted from a government-driven community to one that features much more private equity, venture capital, mergers and acquisitions, IPOs and other corporate transactions.

The high-tech Dulles corridor in Northern Virginia and flourishing biotechnology cluster in Montgomery County along Interstate 270 have resulted in new companies needing corporate attorneys.

The government contracting, aerospace and defense industries are also huge here, and companies in these industries do lots of buying and selling.

There's also a stronger financial services sector, with companies such as McLean-based Capital One Financial Corp., D.C.-based Fannie Mae, McLean-based Freddie Mac and D.C.-based Carlyle Group calling this area home.

"We have got a community with real legs here," said Alan Mark, a principal with

"A lot of us are looking for the same kinds of people and the same kinds of talents,"

Bob Bodansky,
Seyfarth Shaw

Bethesda-based Paley Rothman.

While New York remains the financial juggernaut in the United States, Washington "is an up and coming [corporate] market," said Ann Ford, a partner and co-head of DLA's D.C. office.

The District is a "very good location" for corporate work, and "it's been growing steadily," said Bob Robbins, a partner and head of the corporate and securities group at Pillsbury Winthrop Shaw Pittman LLP.

A recent slowdown in private equity deals due to the credit crunch may cause some law firms to grow their corporate departments a bit more cautiously in the near term, but over the long haul, these corporate groups will continue to expand, said Chuck Miller, administrative partner of Kirkpatrick & Lockhart Preston Gates Ellis LLP's D.C. office.

Still, "Corporate has been a difficult thing to build in Washington," said Cherie Kiser, managing partner of the D.C. office for Mintz, Levin, Cohn, Ferris, Glovsky and Popeo PC.

For one, it's an extremely competitive town. Washington's legal sector is witnessing tremendous growth. Many law firms based elsewhere want to get a piece of this bustling market.

At the end of 1997, the District's professional and business services sector, which includes attorneys, employed about 118,000 people, according to data from the U.S. Department of Labor. That number is now at around 160,000.

It is tricky finding and retaining attorneys. "A lot of us are looking for the same kinds of people and the same kinds of talents," said Bob Bodansky, a partner in the

D.C. office of Seyfarth Shaw LLP.

Washington does have advantages over New York and other cities with strong corporate law communities.

For one, the rates that attorneys charge in D.C. for corporate work can be \$200 to \$300 per hour lower than in New York, where attorneys may charge \$750 to \$850 per hour. And attorneys say the work-life balance in the Washington area is better than in other cities.

The keys to a successful corporate practice in D.C. are cross-selling, working together within a firm and, when necessary, starting small with deals in the corporate group, attorneys in this space say.

There is a lot of overlap between a corporate group and other practices at a law firm, including antitrust, energy, the environment, health care, litigation and regulatory.

A biotech company, for example, may need help with its venture capital financing, a possible IPO in the future, securing patents and dealing with regulators. Litigation may also come up during patent disputes.

Cross-selling this expertise is critical. "You don't want them [clients] to do two-stop shopping," said Kent Gardiner, chairman of Crowell & Moring.

Teamwork is also vital for law firms because if their corporate attorneys are focused on getting new business for their respective firms, even if the work may end up going through a department other than corporate, everyone will benefit.

"You have to bring in business through corporate and through other departments to corporate," said Karen Dewis, a partner and head of the corporate group in D.C. for McDermott Will & Emery LLP.

Law firms building up their corporate groups may look to do small deals at first for new clients or even existing ones, especially for clients that tend to use New York firms for corporate transactions.

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