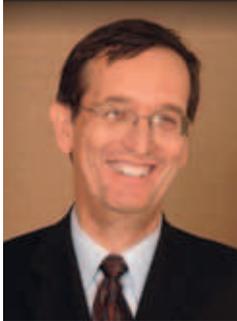




INSIGHT: Betting on California



BY GREG CALL '85

“This is not the time to cash in our chips. This is the time things start to get interesting.”

Every March I fill out my office pool NCAA bracket. As usual, I bet heavily on California schools. But this year the competition was different. Instead of only California lawyers and staff, it included offices on the east coast and overseas. Late last year, our 28 Folger Levin & Kahn California litigators joined the international firm of Crowell & Moring, which laid down its own California bet by opening offices in San Francisco and Los Angeles.

In preparation, I pored over the preachings of bracketologists who claimed that the west coast—and California in particular—had no teams worthy of even a first-round bet. Meanwhile, media pundits are also writing off the state as yesterday’s news. The latest gold rush is over. They dismiss California as the land of broken government, home foreclosures, and high unemployment.

Attention-grabbing as the doomsday headlines may be, the pundits are hardly original. They’ve been writing off California for more than a century. In 1855, it was described as “lawless, penniless, and powerless.” That was before Levi Strauss, Bank of America, Disney, HP, Intel, and Gap. In 1977, we heard that “the peak came in 1974.” Since then we saw the rise of the internet and a new wave of successful California startups, including Apple, Yahoo!, Pixar, and Google.

Of course, there is reason to worry about California’s future. Like most of America today, it is weathering grave problems: empty houses, high unemployment, and government cutbacks. But even in these trials, California still has the characteristics that proved the pundits of 1855 and 1977 wrong. The backbone is still in place.

The people are diverse. Today there is no racial majority in California. People continue to come from all over the world, with new ideas and dreams.

Change is a core Californian value. Many cultural and economic trends originated here—from

tax cuts and the internet to California cuisine and theme parks. In a state where transformation is part of the culture, new ideas and opportunities have more fertile soil for growth. Today, California is on the cutting edge of the new green revolution. As the world considers the issues surrounding climate change, the Golden State is implementing ambitious measures to reduce carbon emissions. As a result, state businesses are springing up that explore new ways of making products and buildings, moving people, and providing electricity.

The state has the resources. While its public schools face many challenges, California remains home to some of the world’s great public and private universities that continue to produce new ideas and people with new dreams. California also has created institutions to fund the ideas and turn them into opportunities and jobs. Today a large percentage of venture capital money invested nationwide stays in California.

So where do lawyers fit in? California attorneys are uniquely positioned to help their clients address the problems and opportunities that change brings. In my own career, some of the most interesting matters have involved the interaction of transformational technologies and existing law or the impact of new laws on existing practices. History has proven this is not the time to cash in our chips. This is the time things start to get interesting.

California clients will always look to lawyers to help them solve the challenges that change brings, but the lawyers who succeed will provide their clients with ways to take advantage of it.

This came to mind as I bet on California in my NCAA pool. We should never fear optimism. My schools didn’t reach the Final Four, but my bet was driven by what I believe for the long term. And that’s not going to change just because of one season.

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