

## California Powerhouses Lead Hot Legal Market On The Climb

By **Lauren Berg**

*Law360 (August 1, 2021, 9:02 PM EDT)* --The diverse group of law firms selected as Law360's 2021 California Powerhouses have steered billions in mergers and acquisitions, represented tech and entertainment giants and shaken up the agricultural industry in a legal market that one expert said was "hot and on fire."

As part of its annual Regional Powerhouses series, Law360 is recognizing a group of law firms in the Golden State that stood out over the past year for their exceptional achievements. The regional powerhouses are Baum Hedlund Aristei & Goldman PC, Kirkland & Ellis LLP, Morrison & Foerster LLP, Munger Tolles & Olson LLP and Nossaman LLP.

These firms range in size from the smallest, Baum Hedlund, clocking in at 13 attorneys in California who focus on high-stakes litigation, to the largest, Kirkland & Ellis, which has 363 attorneys across its practices in the Golden State. The three others have 105 to 356 California-based lawyers.

Regardless of size, however, these five firms have each packed a punch over the past year, serving as leaders in a legal market that has continued to heat up on all fronts.

Morrison & Foerster helped forge multibillion-dollar deals: one in September between SoftBank Group and Nvidia and another in December between Salesforce.com Inc. and Slack Technologies Inc.

Baum Hedlund, representing 722 California clients, fought at the negotiating table where Monsanto's parent company, Bayer AG, agreed to pay more than \$10 billion to settle the bulk of roughly 125,000 claims that its weedkiller Roundup causes non-Hodgkin's lymphoma.

Meanwhile, Kirkland & Ellis successfully defended a number of clients, including one of the nation's largest chicken producers accused of false advertising over its "100% natural" labeling, while Munger Tolles led Square Inc. to victory against a San Francisco bankruptcy attorney who claimed that the company violated a state civil rights law by barring bankruptcy-related financial transactions on its service.



And Nossaman's successful defense of agricultural industry groups that argued that the California Endangered Species Act doesn't protect bees and other insects is likely to have far-reaching impacts for the industry.

### **A Hot Legal Market**

Delia Swan, founder of Swan Legal Search, said the state's legal market had gone "crazy" as more and more people receive COVID-19 vaccinations and the risks of the pandemic started to recede. And despite the usual summer lull in attorney hiring, this year there hasn't been any such slowdown, she said.

"It's truly unprecedented what we're seeing," Swan said. "It will eventually slow down, but not for a while. The market is hot and on fire."

As a legal recruiter, Swan said she had never seen so many on-the-spot offers and lucrative bonuses as law firms ramped up their hiring efforts. But as people have gotten used to working from home, more and more attorneys — associates, in particular — want to continue that practice, and for some firms, that's been a hard adjustment, she said.

However, Swan said, law firms are starting to recognize that people are getting their work done at home, the arrangement is more profitable and their employees are happier.

"The firms will figure it out," Swan said. "It's interesting to watch."

Margot Jackson, an Orange County-based managing director of in-house counsel recruiting at Major Lindsey & Africa, said the market was "incredibly competitive" right now, with law firms increasing compensation and bonuses to retain their talent.

Jackson expects things to eventually stabilize, but said there's a pent-up demand for attorneys after companies put off hiring during the worst of the pandemic. The virus has also driven the need to hire more attorneys, as in-house legal teams are faced with issues they've never dealt with before.

She has also seen that many attorneys want the flexibility of working from home and that employers that aren't willing to allow for that flexibility are falling behind the competition.

"It's an exciting time," Jackson said. "We're on the edges of our seats trying to figure out what's going to happen. I don't expect it to stay at this breakneck pace, but I'm most interested to see when we settle where that will be."

She said employers would have to become more flexible and rethink their compensation because as long as the market stays this hot, employers that don't value their attorneys financially will lose access to the top talent.

### **Plenty Of Legal Work**

Regardless of when the market slows down, legal experts say the California legal industry has seen steady growth in cybersecurity, privacy, antitrust, health care, insurance coverage, technology, and media and entertainment law.

Ken Schwartz, of California legal recruiting firm Watanabe Schwartz, said there seemed to be an insatiable thirst to make deals right now, which some powerhouses like Morrison & Foerster have run with full steam ahead.

The firm guided software company Salesforce as it bought workplace messaging platform Slack for roughly \$27.7 billion, including debt, and it helped SoftBank sell Arm, its U.K. semiconductor business, to Nvidia for up to \$40 billion — the largest M&A transaction in 2020.

And Kirkland & Ellis represented insurance software provider Vertafore Inc. in its \$5.35 billion sale to Roper Technologies Inc., as well as project management software maker Wrike in its \$2.25 billion sale to Citrix Systems.

"California is a great economy," Schwartz said. "There is amazing resilience here and strong industry areas. It's hard to keep California down."

### **Helping Hard-Hit Californians**

Aside from the big-ticket wins in the courtroom and hefty acquisition deals, some of the powerhouses this year have also directed their resources toward helping Californians hit hard by wildfires and the pandemic.

Baum Hedlund has led claims for more than 200 victims of the 2018 Camp Fire in Northern California, the deadliest and most destructive wildfire in state history, and it represents nearly 200 families and individual victims of the 2018 Woolsey Fire. The firm has settled a number of the cases for confidential amounts.

And to help Golden State businesses on the verge of failure because of the pandemic, Morrison & Foerster partner Susan Mac Cormac saw a need to support those small businesses that missed out on CARES Act loans.

The firm co-founded the California Small Enterprise Task Force, a consortium of legal, financial and nonprofit professionals who connect California small businesses with resources they need during the pandemic.

Morrison & Foerster put together a resource guide, offered office hours and spearheaded the launch of the California Rebuilding Fund, a multimillion-dollar public-private partnership that offers low-interest loans to companies with no more than 50 employees and \$2.5 million in revenue in 2019.

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