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L.A. Re-Discovers Washington

30 years ago some faintly known LA firms with names like Latham, Gibson, and O'Melveny started opening up DC outposts in the heyday of Jimmy Carter regulation; now, of course, their offices are bigger than some of the largest DC firms back then.

Are we going back to the future? Sheppard Mullin, a 500 attorney L.A. firm that's not yet a household name among DC lawyers, is in town building up its presence from a standing start just four years ago to 36 today, with growing ambitions. Doesn't matter that this is supposedly a conservative Republican administration; the regulatory climate and government spending trendlines seem to be drawing as intense an interest as ever in getting feet on the street near Pennsylvania Avenue.

Sheppard's DC Managing Partner Ed Schiff, pictured taking lunch with us in the City Club at Franklin Square in his building, may have just welcomed a third granddaughter to the world the other day, but he hasn't slacked in his professional energy: his wife of 39 years keeps pleading with him to join "WA." (That, of course, stands for Workaholics Anonymous, for which there might be a bit of a waiting line around here to get in.)



The firm, an 80 year old institution, had been quintessentially Left Coast until four years ago: Downtown and Century City offices in LA, and others in San Diego, Del Mar, the OC, San Francisco, and even Santa Barbara. But then firm visionaries, according to Schiff, realized there might be gold in the east, and started considering hanging a shingle in either New York or DC. It surveyed clients and learned their resounding favorite was DC, with even local California companies saying what kept them up at night were issues with agencies like the FTC, FCC and FDA, not to mention growing opportunities in government contracts. Schiff, then running the 50-attorney DC office of Philadelphia firm Schnader Harrison, and who shared a client with Sheppard, came to know them, and got recruited.

He brought with him partner Bob Magielnicki and several associates, but as it turned out didn't even have to move offices. Schnader decided to use the occasion to downsize and subleased the émigrés' old space back to them dollar for dollar. Folklore developed that Ed and Bob's firm had left them.

The Bronx-born Schiff came to Washington via Washington & Lee law school in 1970 to work at Steptoe and has long been a fixture on the DC scene. A former Fifth Circuit clerk for Judge Wisdom, he was a regular attendee at the get togethers that Williams & Connolly's Bob Barnett and Cleary Gottlieb's Gene Marans put together at the Metropolitan Club when the late judge came to town.

His own practice has always been M&A and finance, structuring corporate and real estate transactions to use debt and equity creatively. Last year, for example, he helped structure the \$100 million sale of a Northern Virginia IT services client so that the transfer of ownership would not require a potential re-bidding of its contracts.



Pointing out Franklin Square from his office, left, Schiff also pointed out to us some of the practice strengths Sheppard has gained from lateral recruits: FCC issues (via Ken Ferree, former COO of the Corporation for Public Broadcasting); "bet the ranch type litigation" (Dave Geneson from

Hunton, who represents individuals in the Abramoff investigation); business trial litigation (Roy Goldberg from Schnader), government contracts (John Chierichella from Fried Frank), FDA issues (Pete Reichertz from Sonnenschein), and patent prosecution and licensing (Don Peltó from K&L Gates).

And the future? Schiff avers they aren't looking to be acquired he says, but are interested in looking at others; says they're conservatively run with no debt; and notes they're recently licensed in China—stay tuned. But for now, DC is the growth play.