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Comings, goings going up at mid-size firms

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Personnel change is brisk at the 95-year-old Chicago law firm of Gardner, Carton & Douglas LLP.

Seven partners left in the first 60 days of this year, while five lateral partners joined the firm in the same period, and the firm expanded by opening a New York City office.

New laterals attracted to Gardner so far this year come from law firms of all types — smaller, equal in size, and one from a very large law firm in Washington, D.C.

Two migrating Chicago law partners even crossed paths in February.

One switched to Gardner, Carton from Wildman, Harrold. The other went to Wildman, Harrold from Gardner, Carton.

"The market is obviously in a lot of flux," said <u>Lawrence W. Falbe</u>, a new partner at Gardner, Carton who just left Wildman, Harrold after almost 12 years.

"That kind of flux is only going to continue," Falbe said. "A lot of that is driven by headhunters and legal recruiters, a bit of frenzy perpetrated by people on that side of the industry."

Gardner, Carton, with more than 200 attorneys, is also part of that oft-mentioned category of law firms, the "mid-sized firm," reportedly facing challenges in the modern law firm environment.

The firm expanded 24 percent from 2001 to 2004, climbing to 257 lawyers, then contracted by 10 percent to 230 in 2005.

<u>Harold L. Kaplan</u>, chairman of the firm, said some shrinkage was part of the reintegration process of so many new lawyers and their practices in the previous years.

A major survey of law firms just released on March 1, the Hildebrandt/Citigroup Client Advisory of trends in the legal market for 2006, said that "larger national firms are increasingly 'cherry picking' talent ... particularly from regional and mid-sized firms..."

Yet Kaplan pointed out that cherry picking "goes in both directions."

In February, Kaplan's firm brought Gerald P. McCartin into its Washington, D.C., office from the big firm of Hunton & Williams with 850 lawyers.

McCartin, with more than 25 years' experience in corporate law, had been a partner in the Capital Markets Group at his former firm.

Last year, Gardner attracted as lateral partners international trade lawyers <u>Kathleen M.</u>

<u>Murphy</u> and <u>James L. Sawyer</u> from Katten, Muchin, Rosenman LLP, a firm more than twice Gardner's size.

In 2004, nine lawyers joined Gardner from Piper, Rudnick LLC when that firm had 950 lawyers nationwide. (It is now known as DLA Piper, Rudnick, Gray, Cary US LLP.)

The recent Hildebrandt/Citigroup survey also said some mid-sized law firms, in order to compete with big national firms, have had to focus for legal work on "mid-sized companies or start up ventures."

But a spokesman for Gardner, Carton noted that corporate giant Wal-Mart Stores Inc. last fall named Gardner, Carton as part of its Capital Cities Network, a roster of "first call" law firms for quick response.

In Kaplan's view, Gardner, Carton's size and style has advantages.

The firm attracts partners from other firms "because of the strength of our practices and our focus on particular clients," and because of "a more controlled [client] conflicts situation" than can be found at a mega-law firm, "and willingness of others to jump in and help ... in a team-oriented environment."

<u>Christina Brotto</u>, one of the newest partners at Gardner, Carton, said she switched from a Chicago firm that had about 50 lawyers because "I was starting to get more real estate development clients," and the land use practice group at "offered me more support ... more experience in the areas that my clients need."

Two other lateral partners recruited to join Gardner, Carton this year in its New York office that just opened — Janice Grubin, whose focus is bankruptcy and restructuring, and Irving C. Apar, whose practice focuses on corporate trusts — both came from smaller firms.

Grubin and Apar said, for them, Gardner's size and resources, national reputation and greater breadth of clients gave them more opportunities.

Falbe, who focuses on environmental law, said he was recruited by Gardner, Carton from Wildman, Harrold, a firm of similar size, on the ground that environmental law at Gardner was "a serious area of growth."

Falbe also said Gardner's recent geographic expansion, especially into Washington, D.C., may provide more growth opportunities for his practice. In recent years, the firm also has expanded into Albany, N.Y., and Milwaukee in addition to New York and Washington.

Of the seven partners who left Gardner, Carton this year in ones and twos, four left to join much bigger firms. None of the seven would comment on the decision to move.

"With the norms of the profession changing today and being more accepting of lateral hires, people are just going to be more fluid in their movements now," said Professor Brian Uzzi, a sociologist at the Northwestern University Kellogg School of Management who studies the legal profession.

"Before ... people would stay in an unhappy [law firm] marriage. Today, there is no reason to do that."

Regarding Falbe's comment that legal recruiters were churning the lateral market, Uzzi said, "They might stir the pot a bit. It's obviously in their economic interest to do so." But Uzzi said lawyers as a group were "pretty savvy" and not likely to be prodded into making costly, bad moves.

Recruiters also "make good matches" for law firms and reduce the firms' search costs, Uzzi said.

Falbe said, regarding Gardner, Carton, "I did my due diligence before coming here.... They're going to be around for a long, long time. The core partners here are committed to expanding many areas of practice for the firm."

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