



PHOTO BY LARRY RIPPEL

A DECADE OF EXCELLENCE

MORGAN, LEWIS & BOCKIUS LLP, STANDS STRONG BEHIND REGION'S TOP TECHNOLOGY COMPANIES

BY EVAN PATTAK

On that weekend in 1999 when the attorneys at Morgan, Lewis & Bockius LLP, were working feverishly to nail down the acquisition of FORE Systems by Marconi, the offices of the young law firm resembled nothing so much as a war room. That's the recollection of Eric Cooper, FORE Co-founder and CEO.

"We literally took over their offices for an entire weekend, basically living there," Cooper says. "There were a lot of moving parts, deals with individuals, as well as at the corporate level. It's somewhat of a blur to me now. I got to go home and sleep. I don't think anyone at Morgan Lewis did."

Morgan Lewis sealed the deal for \$4.5 billion in cash, a bonanza even by pre-meltdown standards, and followed up later that year by shepherding the wildly successful initial public offering of FreeMarkets. It might be unfair to say those two deals put Morgan Lewis on the tech map in town; the partners already had earned their spurs serving such important clients as Transarc, Carnegie Group and the Maya Group.

But the FORE and FreeMarkets blockbusters demonstrated just how vital Morgan Lewis had become for its clients, indeed, for the region's tech sector. The firm went on to represent

more than 150 technology clients in hundreds of critical transactions, including Rapidigm in its sale to Fujitsu Consulting, Neoliner in its sale to Cadence Design Systems, Maya Viz in its sale to General Dynamics, TechRX in its \$110 million acquisition by NDCHealth Corporation, CoManage in its merger with Syndesis, Laurel Networks in its sale to ECI Telecom. As if that weren't enough, Morgan Lewis helped launch the Pittsburgh Digital Greenhouse (now The Technology Collaborative) and the Pittsburgh Life Sciences Greenhouse, and has been at the forefront of the region's emerging life sciences industry.

Says Tim Parks, firmwide Director of Business Development for the Morgan Lewis Business & Finance Practice Group:

"When you consider the importance of what Morgan Lewis has done, you must note that it has elevated Pittsburgh in the eyes of venture capital firms around the country. There's much greater awareness of the region's tech sector."

As Morgan Lewis celebrates its 10th anniversary this year, the beat goes on. Among the firm's promising clients are Akustica, which develops acoustic system-on-chip solutions,

DesignAdvance Systems, whose CircuitSpace technology speeds and automates circuit board design and production, and Cohera Medical, a medical device company focused on biodegradable surgical adhesives.

It's an amazing record of success that might have been difficult to predict in 1996 when Marlee Myers, David Gerson and Peter Watt-Morse, soon to be joined by Eric Kline - all are partners in the business and finance practice today - formed the Pittsburgh office of Morgan Lewis. While Morgan Lewis today encompasses 20 offices and more than 1,200 lawyers, it had no Pittsburgh presence then.

"We wanted to be part of an organization where the culture reflected the dynamism and can-do spirit of our clients, but still offered the resources of one of the major law firms of the world," says Myers, who also serves as Managing Partner of the Pittsburgh office. "When we met Morgan Lewis, we were extremely enthusiastic about the depth and breadth of their international reach and the practice areas of keen interest to our clients."

Yet, it was no sure thing that Morgan Lewis would thrive in the hotly competitive legal environment here. Dave

Nelsen, CoManage CEO, interviewed six law firms before settling on Morgan Lewis. At FreeMarkets, Founder Glen Meakem and his team already had gone through three outside law firms before they engaged Morgan Lewis.

But the office boasted a number of compelling assets. For one, it was an entrepreneurial enterprise, a gamble that represented great risk and potentially high reward. Tech entrepreneurs identified with that.

"Marlee took us seriously, four academics out of CMU. That impressed us," Cooper says. "You want to grow something new and imprint it with your own culture. That was very important to us, and they seemed to be doing that. That resonated with us as entrepreneurs ourselves."

Morgan Lewis also offered the opportunity for close, personal relationships backed by the support of one of the nation's largest law firms.

"It's the best of both worlds," Parks says. "A small, nimble office but with access to absolutely everything you need at the most competent level."

For clients such as FreeMarkets, which targeted international markets, the worldwide clout of Morgan Lewis was especially persuasive.

"**The advantage** of Morgan Lewis has been its global reach," Meakem says. "They've defended us in shareholder actions, done intellectual property work for us in New York and Washington, a lot of work in Asia and Europe. They're able to take a small tech company and make sure it can stand up to a large company and get a fair deal."

Yet another strength is the ability of Morgan Lewis to offer advice across the broad range of entrepreneurial needs. Nelsen was both surprised and pleased when he discovered this versatility. He says:

"One issue that's always important for startups is stock options. Morgan Lewis always seems to have the latest and greatest knowledge of stock options, not just from the legal perspective but also understanding the accounting options. They also helped with business strategy, something

legal firms don't usually offer. I would meet with them as often as quarterly to talk about big-picture strategy issues. They provided a lot of value-add there, something completely unexpected from a law firm."

Of particular value has been the ability of the office to place its clients before a national network of prospective investors. Through a program called Morgan Lewis Capital Connection that Kline pioneered, the firm submits executive summaries of client business plans to 150 to 200 venture capitalists each quarter, a remarkable introduction that would be hard to come by otherwise.

"We're leveraging the network of relationships we have with sources of capital," Parks says. "The idea is to make it systematic and simple. It's enormously powerful."

Combined, these capabilities have enabled Morgan Lewis in Pittsburgh to grow to a complement of more than 30 lawyers . . . and to foresee an exciting and prosperous future. The office has balanced its portfolio with key business outside the tech sector. When U.S. Steel acquired National Steel, for example, it engaged Morgan Lewis to coordinate and consummate the deal, with a Pittsburgh-based team that included experts in many specialty disciplines across the country. Morgan Lewis's Pittsburgh lawyers have also been heavily involved in the private equity sector, representing Sun Capital and other major private equity firms in deals across the country and in Europe.

Within technology, Morgan Lewis has enlarged its footprint by working on the formation of new venture capital funds and counseling economic development organizations such as the Pittsburgh Life Sciences Greenhouse and The Technology Collaborative. Thus, however, the region's tech sector might expand, Morgan Lewis seems poised to be an integral part of that growth.

"Our practice is burgeoning," Myers confirms. "I think we'll continue to grow across the board and continue to offer only the best, world-class services to companies that aspire to

be the best, world-class companies."

Perhaps the surest signal of continuing growth: Satisfied clients continue to launch new ventures and engage Morgan Lewis as counsel. That's true of Dave Nelsen and his new startup, TalkShoe.

"I didn't go back and talk to six law firms," Nelsen reports. "I said, 'Marlee, I'm on to the next one.'"

That's also the case with Joe Porfeli, whose relationship with Myers and Kline predates the founding of Morgan Lewis in Pittsburgh. They helped him finance and ultimately sell such winners as Surefind Information, REVIVE Technologies and TechRX and were instrumental in overcoming his initial resistance to HyperActive Technologies, which provides operational streamlining tools for such sectors as fast food.

"Eric pestered me to get involved," says Porfeli, now Chairman and CEO of HyperActive. "He felt the business had promise. I said, 'I don't want to be making hamburgers.' He convinced me to visit a site. The rest is history."

Over the years, the partners have assisted Porfeli with about 20 transactions.

"They've become my source of legal support, irrespective of what my needs are," Porfeli says. "If I have labor issues, patent issues, I know I can call them. That's a real benefit, having a single contact point. I tell them what I need and know I don't have to worry about it." ●

