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More than a 10-year plan

Morgan, Lewis grows Chicago office from eight to 62 lawyers in a decade

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In 2003, Philadelphia-founded Morgan, Lewis & Bockius LLP took a rather discreet foothold in the Chicago legal market when it opened an office with eight lawyers.

For a traditionally East Coast firm that was already building a presence on the West Coast, a Chicago office would immediately help service longstanding coastal clients. Over time, the firm hoped to grow the Windy City office and expand its client list here.

Ten years later, the office has grown to 62 lawyers, mostly through lateral hires from firms including Seyfarth, Shaw LLP; Vedder, Price PC.; Winston & Strawn LLP; and now-defunct Howrey LLP.

The office looks to continue adding lawyers to its three main practices — litigation, labor and employment and, most recently, its transactional group, said office managing partner Scott T. Schutte, who came to Morgan, Lewis as a partner from Howrey.

It will attempt that growth with this view of the lateral market in mind.

"It's not enough just to have a (strong) practice," Schutte said, describing the type of lawyers he views as prospects for a successful move. "And it's also not just enough, I think in most instances, to be a lawyer who can do great work. The combination of the two is what we hold out and look for."

Schutte said one of the most important aspects of lateral hires is to quickly integrate the new partners into the fold.

It's a lesson he learned from his own career, which included a stint at Howrey from 2007 until January 2011. The firm dissolved two months after he left.

"I don't mean to be negative about Howrey, but we do a really good job here on this integration piece," Schutte said. "And parts of Howrey did not."

The story of the Chicago office's growth offers a view into the firm's strategy, which can be concisely summarized as hiring lawyers in various practice groups — at least two times from troubled firms — and then filling those practices out with more lawyers.

"The idea is not just to take practices and stick it onto the side of the building," Schutte said.

While the office opened in October 2003 with the acquisition of an eight-lawyer insurance practice from Zevnik, Horton LLP, the first "beachhead" — as Schutte refers to hires that spawn a practice — came about a year later.

That was in September 2004 when four partners and two associates from Jenkens & Gilchrist came on board to start a labor and employment practice in the office.

At the time, Jenkens & Gilchrist was facing an IRS lawsuit regarding its tax-haven practice, which would result in the firm paying a \$76 million penalty and eventually unraveling.

But for Morgan, Lewis' Chicago office, a foundation of a practice focused on ERISA and employee stock-ownership plans had been formed with the additions of David Ackerman, Theodore M. Becker, Brian D. Hector and Elizabeth S. Perdue. That practice was supplemented in April 2005 by the hiring of Charles C. Jackson and Sari M. Alamuddin from Seyfarth.

Though Becker left the firm to become a partner at Drinker, Biddle & Reath LLP last year, Schutte said labor and employment, including ERISA and ESOP work, is still a main practice in the Chicago office. The rest of those hires — which helped bring the Chicago office to 37 attorneys by October 2005 — remain at the firm.

The next big jump in headcount came in early 2011, when 13 attorneys joined the office from Howrey.

Most of those attorneys focused on litigation, including Schutte, who is the co-chair of Morgan,



In 10 years in Chicago, Morgan, Lewis & Bockius LLP has grown from eight to 62 lawyers, mostly through lateral hires from firms such as Seyfarth, Shaw LLP; Vedder, Price P.C.; Winston & Strawn LLP; and now-defunct Howrey LLP. (From left to right) Scott T. Schutte is the managing partner of the Chicago office, Elizabeth P. Hanigan is a partner in the business and finance practice and Merri Jo Gillette is a partner in the litigation practice. *Ben Speckmann*

Lewis' class-action group.

Morgan, Lewis already had some success adding lawyers from troubled firms. In 2003, the Philadelphia firm inducted about 60 partners from Brobeck, Phleger & Harrison when the California firm floundered.

"For it to make sense, you need to bring in people who have a practice, who have clients," Schutte said. "But also, if you're going to implement those people in the firm, there have to be synergies with the people you're bringing in and your existing clients."

With a developed labor and employment practice and growing litigation capabilities, the Chicago office is turning its attention to building a transactional practice, Schutte said, which will include a white-collar crime and investigations aspect. Building that kind of practice can be difficult.

"There are a lot of really good law firms in Chicago," he said. "You're competing for a relatively small band of people there."

In the summer, the firm won over Merri Jo Gillette, who came as a partner from the Securities and Exchange Commission, where

she had spent 27 years, nine of which as regional director of the Chicago office. Tinos Diamantatos also joined Morgan, Lewis from the U.S. attorney's office.

"I think that what I was looking for when I started (searching for a law firm) is what I have found in Morgan, Lewis," Gillette said.

"I was looking for a firm that had a true national practice group — one that was committed to what I'll call integration across practice group lines within the firm, as well as across geographic offices."

This month, the Chicago office added Elizabeth P. Hanigan as part of a three-lawyer renewable energy transactions team that came over from Foley & Lardner. That adds Chicago to the list of about 11 offices internationally that handle the firm's renewable energy practice.

"Our clients are looking for more national presence in the energy sector and we expect more transactions outside of the United States ... where Morgan, Lewis is very strong in energy," Hanigan said. "And we really were impressed with how well Morgan, Lewis is implementing its targeted growth strategy."