

Small Firm Charms

By Dominic Fracassa

MENLO PARK - Spending even a few minutes with Heffernan Seubert & French LLP's partners becomes a kind of lesson on workplace collegiality.

Housed in a modest but cozy second-story office in downtown Menlo Park, the firm's four-attorney team cracks inside jokes and complete one another's sentences in the way that longtime friends often do.

"That's very important to what we do. One of the reasons we do this is because we get to work with people that we like, and we picked each other to work with," said partner Daniel K. Seubert. "We have an environment and a compensation structure and an approach to the practice that incentivizes us to be collaborative."

Seubert and the rest of his colleagues are all alumni of DLA Piper's East Palo Alto office, where the team first forged their close working relationships.

Today, the firm's tentpole specialties consist of commercial real estate transactions, corporate and intellectual property matters and business litigation, all with a spectrum of clients ranging from Fortune 500 companies to family-owned business, startups, individual investors and developers.

The firm's work comes from a combination of return business, outside referrals and clients with multiple, interrelated needs that get passed from partner to partner internally.

San Francisco-based speciality food maker Fork In The Road Foods, for instance, has tapped the firm's expertise for both corporate contract and transactional work, but has also relied on it for litigation counsel.

Every Heffernan Seubert partner is quick to extol the invaluable training he or she received and the contacts they cultivated during their time at DLA. But ultimately, a fundamental incongruity with the trappings and pressures of practicing at a multinational firm - exacerbated in many respects by the economic downturn beginning in 2008 - compelled each of them to seek out the flexibility and independence in their practices that only a smaller firm could give them.



Dominic Fracassa / Daily Journal
From left, Rachel Rosati Warner, William J. Frimel, Daniel K. Seubert and Thomas M. French of Heffernan Seubert & French LLP

"It's not a rap on DLA any more than it is a rap on any other big firm," said corporate partner Thomas M. French. "You start small and things just become more cookie-cutter and more concentrated with central decision making. And the next thing you know you're really big and looking back thinking, 'I really wish it was small and intimate and fun and a little less data-driven.'"

Founding partner Brian T. Heffernan, who recently parted ways with the firm in order to pursue other business ventures, was the first to make the decision to depart DLA as a senior associate. Enticed by the prospects of autonomy, flexibility and independence - values shared by the firm as a whole - Heffernan, a commercial real estate transactional lawyer, left in February 2007.

"Everything was going really well for me at [DLA], but ultimately I felt that I was really hamstrung by the rates that were being put on me that I was having to charge," he said.

The fetters of high hourly rates and the demands of covering rising overhead costs were aggravated during the recession for many large law firms, a key factor in prompting Seubert's exit from DLA's real estate practice the following year.

"Being at a big law firm was not a fun place to be at that time," he said. "It was hard to find clients and it was a period where we were headed into this nasty recession and I got really worried about what my future would be at a law firm like that."

French joined in mid-2009, at a time when he said his hourly rate was hovering around \$750, a price he had a hard time justifying to himself and to his clients.

"When we came over, we all dropped our rates by about half, maybe 40 or 45 percent of what we were. That affected why we left and why clients followed," French said.

French's book of business includes Eli Reinhard, a prominent Silicon Valley real estate mogul who now makes angel investments in early-stage technology companies.

The firm's litigator, William J. Frimel, came on board in 2010 to supplement the existing real estate and corporate practices. He handles a wide variety of business and commercial litigation along with trademark and copyright disputes and some real estate matters as well, with a high percentage of technology company clients or individuals involved.

"The litigation at this firm is presented and referred in as litigation, or I have existing clients who call me with another matter," said Frimel, who religiously keeps a record of each outside referral that comes his way.

To date, he's tallied 158 of them, about half of his business, he said, "And I've worked here for 204 weeks."

Heffernan Seubert's newest partner, Menlo Park native Rachel Rosati Warner, joined last March to further bolster the firm's real estate transactional practice as Heffernan began to scale back his presence there.

The move, Warner said, helped to give her the scheduling flexibility she needed and presented an opportunity to grow her own book of business with local clients. "I really wanted to get back to my roots," she said. "I wanted to get back to representing people in this area and actually having client relationships and so far it's been great."

Offering the experience of a big-firm pedigree at greatly reduced prices drives the firm's competitive advantage in conjunction with a concerted effort to keep overhead costs at a minimum.

But in the hypercompetitive legal environment of Silicon Valley, the partners say that they're equally committed to providing personalized service to clients they can form a connection with.

"When you're at a big firm, when one client leaves, there always seems to be another client to pick up. But here, you have a much more personal relationship with them and you feel like they're more important to you and you're more important to them," said Frimel.

Additionally, the firm maintains close ties with a network of outside attorneys whom they regularly contract with and refer work to when a client's matter falls outside of their expertise. The firm strives to be a kind of panoptic legal hub for clients, which helps lead to further productive relationships with both clients and other attorneys.

"We feel the best thing we can do is to build those kind of relationships and they're never exclusive," French said. "There's a lot of things we don't do and don't have to do to provide this level of service to clients."

The culmination of the firm's values and attitude toward practicing law becomes clear in conversations with some of their clients.

Ani Vartanian Boladian, co-founder and managing partner of San Francisco-based real estate investment company Rubicon Point Partners LLC, was referred to Seubert by a colleague who had tapped his expertise on a number of ventures.

Seubert, who handles a variety of transactional matters for Rubicon, provided more than just legal counsel, she said. "Whenever we have any issues or questions or just need a sounding board, he's our first call."

"He's able to provide the same quality of service that I would get at a larger law firm for maybe half the cost. I consider him not only our attorney but our friend and counsel and adviser," she said.

Looking ahead, Seubert said he and his colleagues are mulling over the possibility of changing the firm's name now that Heffernan has officially made his exit, but that's likely to be the only substantive change in the near future.

"We're not modeled on a structure where we will make more money if we add more people," Seubert said.

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