

Baker & Hostetler, With California 'Reputation on the Rise,' Adds McGuireWoods Team

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By Jessie Yount

What You Need to Know

- Baker & Hostetler has poached McGuireWoods labor and employment partners Matt Kane and Sylvia Kim.
- The firm has added over 50 attorneys in California in the last two and a half years.
- The firm is prioritizing litigation, labor and employment, data privacy and transactional work.

Baker & Hostetler is on a roll in California, thanks to its work on the largest reorganization of a public utility in U.S. history, strength in litigation and labor and employment practices, growing digital assets and data management group, and a bit of out-of-the-box thinking, according to firm leadership.

The Cleveland-born firm this month lured McGuireWoods labor and employment partners Matthew Kane and Sylvia Kim to its Los Angeles and San Francisco offices,

respectively, along with two associates.

The firm, which brands itself as BakerHostetler, began a significant West Coast push in 2019, bringing in new management in Los Angeles and opening a San Francisco outpost in 2020 with lateral additions from Winston & Strawn and Dechert, among others.

Since then, it has added over 50 attorneys to its California offices, including first-year associates who start Oct. 4, and has tripled its head count in San Francisco.

"I'm thrilled with what we've accomplished so far," firm chairman Paul Schmidt said. "We're getting a lot of attention on the West Coast because of our additions and work in litigation and digital assets, and that is so important in the California market. Our reputation is on the rise."

Others agreed, noting the firm's attention to the California market has given it an edge over competitors.

"A lot of big firms have already tried to tackle Los Angeles. As we have demonstrated that we are committed to growing in Los Angeles and



Photo: Jason Doiy/ALM

have shown a lot of energy, we've had folks that have joined us because they felt their firm took their eye off the ball in this market," said Eric Sagerman, who joined the firm as managing partner of the Los Angeles office in 2019 from Winston & Strawn.

The firm's "energy and momentum" and state of expansion rather than contraction in Los Angeles were major draws, Kane said.

More growth is in store, according to Sagerman. Baker & Hostetler plans to grow its head count in California to 80 attorneys, with an emphasis on corporate business and data management lawyers.



Matthew Kane of Baker & Hostetler.

Courtesy photo



Sylvia Kim of Baker & Hostetler.

Courtesy photo

Work, Laterals Create Domino Effect

Growth accelerated in 2019 when Baker & Hostetler brought on Sagerman in Los Angeles.

Schmidt described the move as “nonconventional” in that the firm doesn’t typically bring somebody from the outside directly into a managing role.

“Eric was a unique find,” Schmidt recalled. “He was an accomplished bankruptcy lawyer, but more than that, he had significant management experience and a deep knowledge of the California market. It’s proven to be the right move.”

Likewise, the firm began building its Northern California presence in a unique way. About a year before its San Francisco office was announced, the firm added a team of laterals from Winston & Strawn and Pillsbury to help pitch the mega bankruptcy case of PG&E.

“That was a real catalyst for us,” Schmidt said.

Since then, the firm has continued to build its Northern California presence under the leadership of Winston & Strawn alum Robb Adkins, who previously served in the Department of Justice and was the highest-ranking fraud enforcement officer under the Obama administration.

The firm’s California footprint has continued to flourish because “success breeds success,” Sagerman added.

“For each pedigreed attorney that we have hired, it telegraphs to the market what we are doing and it leads to the next one. They’ve seen what we’re doing and the momentum we have, and with multiple strong practice areas the firm really sells itself,” Sagerman said.

Notable additions have included litigator Bill Oxley, formerly of Dechert; Michael Chamberlin, the former co-chair of Winston & Strawn’s labor and employment practice; and class action leader Bethany Lukitsch from McGuireWoods.

L&E and Privacy Work Accelerates

While the decision to expand in the West is strategic for all of the full-service firm’s practice areas, recent attention has been given to litigation, labor and employment and data management work.

“We’ve invested in a platform for mega litigations, and our firm has the infrastructure to handle terabytes of information. Take all of those capabilities, and layer that with low-cost staffing, and we’re in a sweet spot of offering premium lawyers at premium price points,” Sagerman said.

Price point was a particular selling point for Kane and Kim, who noted the firm has “taken stock of the competitive landscape” and given itself an advantage in pricing of services.

Kane described the firm’s labor and employment pricing as higher than the heavily discounted rates provided firms that do only labor and employment work, but slightly lower than firms that treat labor and employment like any other practice in setting rates.

There’s been “no end in sight” to labor and employment work, Kim added, noting that much of the work has transitioned from how to deal with operating remotely to how to manage an office return.

Furthermore, labor and employment issues continue to brush up against data management and privacy issues, and there is “meaningful overlap” between the firm’s two practice areas, Kane added.

“Preventatively, our clients want to make sure they’ve got the right policies and technological resources in place to protect employee information and react in a legally compliant manner in the event of a breach,” Kane said.

The McGuireWoods team, including Kane and Kim, was represented by recruiters Larry Watanabe and Ken Schwartz. McGuireWoods did not immediately respond to a request for comment on the departures.

Corporate and Data Opportunities

As the firm plots its next steps in the region, it will include a focus on corporate lawyers and data management experts.

The data management and digital assets group, which launched in 2020, includes “all things data,” such as protection, monetization, digital transactions, digital transformation, cybersecurity and incident response, Schmidt said.

For that work in particular, “we can’t hire quick enough,” he said.

Sagerman added, “as a result of fiscal policy, there has been a boom in transactional work. In addition to other prime practice areas, we’re now focused on growing our corporate practice on the West Coast.”

That will include lawyers in mergers and acquisitions, private equity, real estate, restructuring and emerging companies, he said.

The firm will also look for geographic balance across the state and will “look to add in some areas that are perhaps intrinsic to the Bay Area, such as life sciences, emerging companies and venture capital,” Sagerman said.

Though the firm’s San Francisco entrance has already exceeded expectations, Schmidt noted the firm remains new to the market, and “sky is the limit.”