



Lawyer Gilles S. Attia says his Sacramento law firm has more than doubled in the last five years. Recorder photo by Rich Pedroncelli

Government, geography cited for Sacramento's legal growth

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SACRAMENTO — When Gilles S. Attia joined the Sacramento law firm of Weintraub, Genshlea, Hardy, Erich and Brown five years ago, he started a securities, corporate and municipal finance department which consisted of four lawyers.

Today, that department numbers 20 attorneys. And the firm as a whole has grown too, from 35 lawyers five years ago to 80 today, said Attia, making Weintraub the largest firm in the Sacramento area and one of the fastest-growing firms in the country.

The growth of the Weintraub firm — and especially of its corporate finance component — is indicative of the explosive growth in the number and influence of attorneys practicing in the Sacramento metropolitan area.

Members of the Capitol legal and business community say the growth is largely a result of increased business activity in the region, as well as the growing perception among law firms and their clients that accessibility to the seat of state government is of critical importance.

Geographically desirable

"The main reason for the growth of the region is because Sacramento housing is affordable," said Attia, a former Securities and Exchange Commission attorney. "There is an excellent work force here, and geographically it is a very desirable place to relocate."

Gordon Schaber, dean of the University of the Pacific McGeorge School of Law, said, "It's all of that, plus the fact that firms that previously would handle [cases] exclusively from San Francisco or Los Angeles have decided that the community warrants a branch."

"It exhibits a concern of theirs that their clients are gravitating to the community and that, if they don't provide services, someone else will," added Schaber, who is widely regarded as the "dean" of

the Sacramento legal community.

Schaber cited business growth as well as the fact that "government relations have just exploded," necessitating specialized legal representation and legislative savvy to deal with the plethora of government regulatory agencies in Sacramento.

"The Legislature has created a wealth of regulations and activities which has spawned an interest in the law," Schaber said. "There is now specialization, for example, in medicine and health care, environmental matters and toxics."

Schaber noted that the expansion of specialized legal representation — much of it tied to the myriad state regulatory agencies which have been established or expanded in the past decade — means that lawyers now handle issues which previously might have been resolved informally, through trade associations, family groups, church elders.

Close to government

Most of the growth in the Sacramento area legal community has occurred in the private sector, with relatively little measurable increase in the number of attorneys working for public agencies — although some government lawyers say the work of those agencies, including litigation, has also increased substantially.

William A. Kershaw, president of the Sacramento County Bar Association and a partner in the firm of Kronick, Moskovitz, Tiedemann and Girard, noted that several San Francisco and Los Angeles law firms have opened offices in Sacramento in order to be closer to the seat of government. And, he added, many overburdened, understaffed public agencies are increasingly turning to the specialized expertise of private firms for legal representation.

Often touted as the "new" Silicon Valley, Sacramento and its suburbs are the site of a burgeoning high-tech business community. Land and housing are still relatively inexpensive, and

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corporations in more congested urban areas find both factors attractive incentives to relocation.

And corporations, of course, need lawyers.

Membership in the local bar association has grown by some 100 members annually for the past five years, now standing at about 2,000 members. The State Bar of California lists 4,127 active members in Sacramento County — up from 3,339 five years ago.

Move to lobbying

The work of many firms includes lobbying the Legislature on issues of concern to clients. One firm which two years ago opened an office in Sacramento — Heron, Burchette, Ruckert and Rothwell of Washington, D.C. — is known primarily as a firm which specializes in governmental relations. Others have separate departments to handle lobbying.

Attia, who worked in Washington, D.C. before coming to Sacramento, observed "an increasing shift [in Sacramento] to the more federal, national approach, relying on attorneys for lobbying."

Kershaw said the number of law firms doing nothing but lobbying is increasing. "Many attorneys in private firms are becoming expert or at least familiar with the regulatory and planning process," he added. "Our firm does a tremendous amount of public agency work — water law, resources work, school district representation, for example." Many clients are public agencies outside Sacramento which may have concerns involving the Legislature or state agencies.

Kershaw and other attorneys who represent public agencies as well as business clients note the increasing complexity of issues affecting public and private sector clients. "You're seeing a trend on the part of public agencies to seek the expertise of private firms," he noted.

Kershaw said his firm has increased from 15 attorneys eight years ago to 50 today.

Other firms report similar increases, with a mix of clients, including businesses and public agencies.

Sears counsel

Philip M. Knox Jr., former vice-president and general counsel for Sears, Roebuck & Co., in February joined the Sacramento firm of Greve, Clifford, Dispenbrock and Paras. He will specialize in banking and consumer financial services, mergers and acquisitions, antitrust and securities law and government regulation, and will also teach a banking course at McGeorge.

Knox — whose son Thomas was the firm's seventh attorney when the younger Knox joined Greve, Clifford 10 years ago — will be the firm's 40th member. Like others, the elder Knox cites as reasons for the growth the "extraordinary explosion" in regulatory work, the general business expansion, and the importance of the Sacramento legal community.

Richard Brandt, managing partner in the Sacramento firm of McDonough, Holland and Allen, said the firm has grown from 15 a decade ago to more than 60 today. Specializing in real estate, land use and redevelopment law, the firm's growth is linked to the economic growth of the Sacramento metropolitan area.

"We are somewhat unusual in that we have a regional practice," Brandt said. The firm represents public agencies in various major California cities as well as clients in the health care field and some out-of-state public agencies.

Business expansion

A significant measure of the growth in the

Sacramento legal community is seen in the membership of the Sacramento Metropolitan Chamber of Commerce, which has doubled its membership — from 1,500 five years ago to 3,000 today.

Timothy Taron, a partner in Hefner, Stark and Marois and a past president of the Chamber of Commerce, says much of the growth in the legal community is directly attributable to the growth of the region's business community.

"Real estate practice has grown steadily, in part because of population growth and in part because real estate law has become more and more complex," Taron said. "We are seeing much more corporate real estate and more non-local clients — firms from Arizona, southern California, and throughout the United States."

"Housing prices are so much more attractive here than in other metropolitan areas, and [firms seeking to relocate] see this area as having a vibrant economy." He cited one client, a national home builder, who recently moved its operation from a depressed oil-producing state, "again, because of the cost of housing."

Perhaps ironically, some Sacramento lawyers say Proposition 13, California's 1978 property-tax-cutting initiative, helped create a blizzard of regulatory and land development questions which increasingly require legal analysis to penetrate.

"That kind of legal advice is very much in demand," Taron said.

Government secondary

Weintraub's Attia sees the role of government in the growth of the Sacramento area legal community as secondary to the expanded role of business in the area. "I don't think government has played much of a role [in the growth of the legal community], although government continues to become more complex, and there are more regulations and more regulatory agencies," Attia said.

"You need to be armed with more lawyers and generally be more careful in the conduct of your business," he added.

Attia also noted a shift in the Sacramento business community away from the domination of old-line local companies. "There are really two Sacramentos," he said. "There is the old Sacramento, the 'old-boy' network of established older companies. But now, perhaps more powerful, are the young emerging companies."

And, Attia and others said, there is the clash between growth and no-growth forces in business and local government. Although differing on the extent of growth and the need to control it in the Sacramento area, all agreed that the lessons of San Jose and Los Angeles — lessons of air and

water quality, and transportation gridlock — must be heeded in Sacramento.

"There is a tremendous amount of knowledge that can be gained from the experiences of Los Angeles and San Jose, to do things more carefully, to manage more carefully," commented Hefner's Taron.

Public sector

Despite the growth in the size of the private bar in the Sacramento area, available figures do not indicate a comparable increase in the number of public-sector lawyers.

The staff of the Sacramento County Counsel's office has grown by only four attorneys — from 24 to 28 — in the past five years, and the number of lawyers assigned in the Counsel's office to environmental, land use and zoning issues has remained constant at four, despite the huge increase in the growth of the region.

"We certainly could use more help," commented Supervising Deputy County Counsel Barry Steiner, "but I don't think we're going to see it, given funding restraints."

Richard Baker, executive assistant to the Association of California State Attorneys and Administrative Law Judges, said the increase in private lawyers and business entities "doesn't necessarily mean a growth in litigation involving public agencies." The association represents 1,850 state attorneys throughout California — a number which Baker said has remained fairly constant over the past few years.

The largest increment of state attorneys is in the Attorney General's office, which currently employs some 560 attorneys statewide — an increase of about 60 since 1983-84. Chief Deputy Attorney General Nelson Kempsey said the increase has primarily been in the criminal law division, specifically in that division's correctional law section which handles the increasing volume of litigation involving the state prisons.

"We are slightly understaffed from where we would like to be," Kempsey said, "but the current level is not unreasonably low."

Kirk West, a former high-level Deukmejian administration official (he headed the state Business and Transportation Agency) who is now president of the California Chamber of Commerce, said he believes the increased number of attorneys in the capital reflects an increasingly litigious society — one in which there are simply too many lawyers.

"The growth in the occupation is tremendous," said West, who is not a lawyer. "From the standpoint of business, it contributes to excessive litigation, which does not contribute to a healthy business climate."

"Certainly," he added, "the complexity of government has contributed to the problem as well."