

'A Market for the Work We're Doing': Cleary Sees Its Bay Area Offices Bloom in Year 1

After just one year in the Bay Area, the Wall Street firm is seeing plenty of demand as the technology sector confronts a new regulatory landscape.

By Jessie Yount

What You Need to Know

- Cleary's Bay Area offices are benefiting from strong demand, just one year after launch.
- Clients are knocking at the door for regulatory, antitrust and white-collar expertise.
- A flexible talent acquisition strategy has helped the firm grow to 20 lawyers in just a year.

It's been one year since Cleary Gottlieb Steen & Hamilton launched in the Bay Area with two offices, a local antitrust practice leader, four relocated partners and a half-dozen associates, betting on a new regulatory landscape aimed directly at the technology industry.

The firm's momentum has only increased since then, growing to nine partners and 20 lawyers in the region, while winning regulatory, litigation and M&A work for some of the largest companies based in the Bay Area, including Broadcom in the antitrust aspects of its planned \$61 billion purchase of VMware.

Cleary's strategy is not unlike some of the other Wall Street firms that have entered the Northern California market in recent years,

revealing a desire to defend and win market share among technology clients who are displaying a need for highly sophisticated legal services.

"Being physically present has advanced our relationships with existing clients and helped us grow relationships with new clients, particularly in the tech and venture capital space," said Jennifer Kennedy Park, a founding partner of the Bay Area offices.

"Part of our thinking was—given the amount of capital invested here—there is an increasingly challenging regulatory environment for companies that our depth, breadth and international scope of practice fits perfectly," said Park, who is a white-collar partner.

The firm also counts Google as a longtime client, which it advised this year on its acquisition of microLED display technologies maker Raxium Inc. and EU antitrust litigation.

More recently, it's seen its proof of concept for white-collar work come to fruition with the collapse of cryptocurrency exchange FTX, and is helping a significant number



Courtesy photos

Jennifer Kennedy Park, left, and Christopher R. Moore, right, of Cleary Gottlieb.

of local clients manage the fallout of that circumstance, Park said.

While Park relocated to the Bay Area last year along with three partners with expertise in antitrust and M&A, the team was also joined by Heather Nyong'o, who previously served as the West Coast antitrust leader for Wilmer Cutler Pickering Hale and Dorr.

The group was more recently joined by Rahul Mukhi, a litigation lawyer at Cleary and a former assistant U.S. attorney for the Southern District of New York, who relocated over the summer as the enforcement landscape ramps up in Northern California.

The U.S. Securities and Exchange Commission, for instance, is taking a more active role, having recently appointed a new regional director with a background in enforcement. Park said the firm is already playing a role in significant cases including off-channel communications investigations.

“We’re seeing for ourselves at Cleary that having a litigation presence on the ground makes a difference for clients,” Park said. “They are looking for people who know the local courts, and now we have people with a longstanding history in the region including Heather [Nyong’o].”

Needs of a Growing Market

Cleary’s growth hasn’t been limited to regulatory and litigation work, in part because antitrust considerations are having a spill-over effect on clients’ corporate ambitions, according to M&A partner Christopher Moore, who joined Cleary from Hogan Lovells’ Silicon Valley office this year.

“We’re heading into—if we’re not already there—a regulatory environment where companies in the tech space are going to be under a lot more scrutiny and will need the kind of advice we can offer,” Moore said. “There is a market for the work we’re doing.”

In the past year, just a handful of Cleary’s corporate representations in the Bay Area have included advising GlaxoSmithKline on its announced \$1.9 billion acquisition of Sierra Oncology, Wag Labs on its business combination agreement

with CHW Acquisition Corp. and Sony Interactive Entertainment on its acquisition of Bungie.

Even though corporate demand has continued to fall in the back half of the year, Moore observed that he’s seen a greater impact in the emerging companies sphere, which isn’t Cleary’s preferred playground.

“Clients are still calling us for their most significant matters,” Moore said. “More of the early-stage work is slowing, but we’re a better solution for companies further along in their development and multinational companies. They are still getting deals done.”

While the firm is still scouting talent in litigation, regulatory and M&A, it is also looking to grow in capital markets for public companies with corporate governance and securities needs. Corporate-complementary practices such as executive compensation and IP litigation may also see growth, Moore said.

Flexibility as a Selling Point

Cleary’s recruitment efforts have been aided thus far by a strong reputation and longstanding connections to local law schools. Yet, a newer challenge the firm is facing is competing with its own clients for talent, Park said.

“We’ve had to think about flexibility as a huge part of the opportunity we can offer to talent,” Park said. “We’re telling talent there is an opportunity to visit other offices or work overseas, and you don’t have to come in every day. And when you do come in, there will be food, all the time.”

The firm has welcomed existing partners and associates to the Bay Area, which has in some cases helped it retain talent that might’ve otherwise left for a firm with a physical West Coast presence. In fact, Morrison & Foerster tax partner Maureen Linch rejoined the firm in May, having originally left the firm because of a move to the Bay Area.

“For years, we’ve had regretted departures because people needed to move back to California for personal reasons. Now, we can retain these people, and we’re even getting some returners like Maureen,” partner Brian Byrne said in a May interview.

“We continue to see requests to transfer to the Bay Area,” Park said, noting that other associates have come over for stints, such as a London associate who is sitting in the office for six months, providing guidance on the EU’s Digital Markets Act.

Cleary’s reputation, which Park described as “collaborative, flexible, nimble, and excellent in what we do,” has also been a selling point for female attorneys. The Bay Area office has women representing more than 50% of its local headcount and more than one-third identifying as racially diverse.

“We’ve had a great response from women and racially diverse lawyers,” Park said. “DE&I are priorities of the firm, and we’ve been successful in recruiting talent because of our culture and our expectations of one another. It’s a joy to interact with all our lawyers here.”