

BAY AREA LEGAL MARKET

2004



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MARKET OVERVIEW BAY AREA

A Technology Capital of the United States, but not only Technology

- A national center for software, bio-technology, information technology and high-technology companies
- Key industrial companies based here include Bechtel, URS, Chevron, and PG&E
- A thriving venture capital community, especially in Silicon Valley

Entrepreneurial Spirit

- Business has quieted since the dot-com boom, but start-up companies still offer the promise of making it big
- The Google IPO is the latest example of a company that made it very big

Boom / Bust

- Historically prone to large economic upswings and downturns
- Currently in a slow recovery from a recent bust

Not a Financial Service Center

- All three indigenous San Francisco investment banks – Montgomery Securities, Hambrecht & Quist, Robertson Stephens – have been acquired by large companies located on the East Coast or dissolved
- Very few, if any, large financial institutions based in the Bay Area
- Large institutional banks have also been merged with HQ moving out of state (except Wells Fargo)
- Exception is private equity

A Wide Variety of Legal Practices, but not Everything

- Silicon Valley corporate lawyers focus on mergers and acquisitions, securities, corporate governance, venture financing and IPOs; not debt deals, securitization, LBO's, etc.
- Thriving general litigation practices at most firms
- Intellectual property law is hot, particularly patent prosecution and litigation
- Bay Area firms offer a wide range of boutique practices, such as employment, environmental, public agency, white-collar crime, construction, real estate, appellate, bankruptcy, health care, plaintiffs and international law opportunities
- Practices notably absent include entertainment law, telecommunications, banking/finance and administrative law

MARKET OVERVIEW – continued BAY AREA

A Beautiful Environment If You Can Afford It

- Stunning, unspoiled coastline and forests available for picnicking, hiking, biking, kayaking, wildlife watching or just driving past
- Many different neighborhoods with disparate benefits and drawbacks, but, in general, housing is outrageously expensive

WHAT'S HOT / WHAT'S NOT BAY AREA

HOT

Litigation

- Commercial
- Securities
- Intellectual Property (especially patent)
- Toxic Torts
- Employment

Transactional

- M&A
- Venture Capital/Private Equity/IPOs
- Patent Prosecution
- Internet / Technology

NOT

Entertainment / Media

Constitutional

Telecommunications

Transactional

- Project Finance
- Bank Finance

STEADY

Bankruptcy

ERISA

Appellate

Tax

Wills & Estates / Probate

Public Service / Government

Public Finance

White Collar

Insurance Litigation and Coverage

REPRESENTATIVE BAY AREA FIRMS

Large (500+)

- Bingham McCutchen (231 : 853*)
- Cooley Godward (207 : 374)
- Heller, Ehrman, White & McAuliffe (301 : 668)
- Morrison & Foerster (419 : 976)
- Orrick, Herrington & Sutcliffe (223 : 571)
- Pillsbury Winthrop (252 : 715)
- Wilson, Sonsini, Goodrich & Rosati (480 : 553)

Mid-Size (200-500)

- Fenwick & West (229 : 259)
- Littler Mendelson (93 : 300)
- Thelen, Reid & Priest (186 : 439)
- Quinn, Emanuel, Urquhart, Oliver & Hedges (34 : 203)

Small (100-200)

- Farella, Braun & Martel (121 : 121)
- Hanson, Bridgett, Marcus, Vlahos & Rudy (135 : 135)
- Howard, Rice, Nemerovski, Canady, Falk & Rabkin (130 : 130)
- Nossaman, Guthner, Knox & Elliott (41 : 125)
- Munger, Tolles & Olson (26 : 183)

Boutique (Under 100)

- Beveridge & Diamond (10 : 73)
- Coblenz, Patch, Duffy & Bass (58 : 58)
- Day, Casebeer, Madrid & Batchelder (28 : 28)
- Folger & Levin (56 : 72)
- Gunderson, Dettmer, Stough, Villeneuve, Franklin & Hachigian (50 : 70)
- Kecker & Van Nest (48 : 48)
- Lieff, Cabraser, Heimann & Bernstein (54 : 54)
- Meyers, Nave, Riback, Silver & Wilson (59 : 60)
- Shartsis, Freise & Ginsburg (48 : 48)
- Steefel, Levitt & Weiss (76 : 84)
- Stein & Lubin (31 : 31)
- Steyer, Lowenthal, Boodrookas, Alvarez & Smith (9 : 9)

REPRESENTATIVE BAY AREA FIRMS – continued

- Out-of-State**
- Akin, Gump, Strauss, Hauer & Feld (9 : 894)
 - Baker & McKenzie (91 : 3200)
 - Covington & Burling (27 : 530)
 - Davis, Polk & Wardwell (36 : 659)
 - Duane Morris (22 : 550)
 - Dechert (31 : 598)
 - Epstein, Becker & Green (14 : 300)
 - Gibson, Dunn & Crutcher (83 : 746)
 - Jones, Day, Reavis & Pogue (51 : 1840)
 - Kirkland & Ellis (31 : 996)
 - Latham & Watkins (166 : 1572)
 - Mayer, Brown, Rowe & Maw (13 : 1378)
 - Milbank, Tweed, Hadley & McCloy (13 : 500+)
 - Morgan, Lewis & Bockius (134 : 1165)
 - Nixon Peabody (78 : 602)
 - O'Melveny & Myers (94 : 938)
 - Paul, Hastings, Janofsky & Walker (78 : 744)
 - Piper Rudnick (31 : 915)
 - Reed Smith (133 : 975)
 - Ropes & Gray (10 : 553)
 - Shearman & Sterling (54 : 960)
 - Sidley, Austin, Brown & Wood (43 : 1544)
 - Simpson, Thacher & Bartlett (43 : 717)
 - Skadden, Arps, Slate, Meagher & Flom (60 : 1750)
 - Sonnenschein, Nath & Rosenthal (70 : 683)
 - Sullivan & Cromwell (15 : 702)
 - Weil, Gotshal & Manges (63 : 1169)
 - White & Case (39 : 1700)

** Number of Attorneys in the Bay Area : Total Number of Attorney in Firm*

GETTING A JOB BAY AREA

Summer Clerkships

- Firms can be suspicious of summer associate candidates without a tie to the area
- Most big firms allow splits with another firm outside of the Bay Area, though some firms may be reluctant to do splits with same-city offices

Credentials

- Most big firms desire top credentials; elite firms have grade cutoffs
- Three top-40 law schools in the Bay Area; two top-15 schools
- For permanent hires, a tie to the area is less important
- Personality matters at some firms, but most evaluate primarily on credentials
- A handful of top New York firms have branch offices in the Bay Area

Law Firm Life

- 1950 hours is a typical minimum billable requirement
- Market pay for first year associate is \$125,000 (see www.infirmation.com for details)
- Partnership consideration generally occurs at 8-10 years
- Very few, if any, “9-5” jobs
- Several large, indigenous San Francisco firms have a reputation for projecting a liberal political and social image
- Law firms are relatively open-minded regarding alternative viewpoints and lifestyles

Judicial Clerkships

- Federal: District Courts and Court of Appeals for the Ninth Circuit
- State: Superior (trial) and appellate courts, California Supreme Court

BAY AREA FAST FACTS

POPULATION:

- 789,600 in San Francisco
- 6,693,600 in the nine-county Bay Area

SAN FRANCISCO POPULATION BY AGE AND BY RACE:

- 20-24 years old: 6%
- 25-34 years old: 18%
- 35-54 years old: 32%
- 55 and older: 24%
- African American: 10%
- Asian/Pacific Islander: 33%
- Latino/Latina: 15.8%
- White: 41%

HOUSING:

San Francisco is famous for its architecture, with its rows of Victorians and its streets of bay windows. Though the city is only 49-square miles, SF boasts some of the oldest and most beautiful residential property in California. Although many American cities and towns are described as “melting pots,” SF neighborhoods can most accurately be described as a mosaic. Each enclave, a singular entity that is distinct and rare, comes together to form the rich tapestry that is SF community. From the posh, spectacular views of Pacific Heights and Russian Hill to the bohemian, artistic vibe of the Mission district, one can always find a living area suited to his or her particular tastes.

SAN FRANCISCO NEIGHBORHOODS

1. **Castro** – considered center of alternative living in SF; vibrant.
2. **Cow Hollow** – young professionals, Union St., fashionable shops and restaurants.
3. **Downtown/Financial District** – aka “Wall Street West” – ranked as one of the top financial centers in the nation.
4. **Haight Ashbury** – known for its 60s heyday, still recognized for its creativity and diversity. Home to colorful Victorians, eclectic shops, sidewalk cafés and popular night clubs. Also famous for its residents of the past, including Jerry Garcia, the Jefferson Airplane and Janis Joplin, to name a few.
5. **Mission** – home to city’s oldest structure, Mission Dolores, the sixth Franciscan mission along El Camino Real. Spicy taquerias, Mexican bakeries and colorful murals depict Mexican and Latino history. Mix of working class Latino families, young professionals, artists and others who enjoy its culturally diverse atmosphere.
6. **Noe Valley** – quaint neighborhood, centered around 24th St, with its coffee shops, boutiques, bookstores, multitude of ethnic restaurants and Victorian houses.
7. **North Beach** – “Little Italy” of the West, with its abundant restaurants, cafes and bakeries; beat-nick history – old stomping grounds for the likes of Jack Kerouac and Alan Ginsberg.
8. **Pacific Heights** – one of the most prestigious neighborhoods in SF, breathtaking views of Golden Gate Bridge and the bay; home to many of SF’s first families as well as successful entrepreneurs and artists.
9. **Russian Hill** – world famous Lombard Street twists down the hill to the delight of tourists and the dismay of cab drivers.
10. **South of Market (SOMA)** – one of the richest historical areas in the city, and today has a character all its own. Creative, cutting-edge center of the city, home to the majority of graphic arts, design, film, multimedia businesses and more, including Museum of Modern Art and the Yerba Buena Center for the Arts.
11. **Sunset** – Before the 1930s, the Sunset district was made up of sand dunes that extended west to Ocean Beach. Located just south of Golden Gate Park, it’s one of the foggiest pockets of all of SF, but it’s location near Ocean Beach, the proximity to the park, its district of restaurants, cafes, bookstores and more provides this neighborhood with a local charm.

Cost of Living:

Although San Francisco’s cost of living is one of the highest in the country, it is also reported that Bay Area residents possess the third-highest discretionary income in the United States. This is due to the high percentage of an educated work force and the concentration of jobs in high-paying industries. The majority of residential properties in SF are multi-unit; 65% or the city’s residents are renters. According to McGuire Real Estate, monthly rents in the city range from an average of approximately \$1,100 for studio apartments, \$1,950-\$3,700 for one or two bedrooms, and \$2,750-\$5,000 for two or three-bedroom apartments. Houses command higher rents, averaging from \$3,800 per month for one or two bedrooms, and from \$4,200 for three-bedroom houses in the “higher end” areas of the city.

BAY AREA COUNTY PROFILES



SOUTH BAY

Santa Clara County

Located at the southern end of San Francisco Bay, the Silicon Valley is home to the high-technology industry, and employs approximately 827,000 people. With a population of 1,670,673, Santa Clara County includes both agricultural land to the south and a highly urbanized industrial area extending north from San Jose, the county seat.

PENINSULA

San Mateo County

San Mateo County covers an area from Daly City to Menlo Park, encompassing the San Francisco International Airport, the coastal fishing community of Half Moon Bay and the wooded countryside of the Portola Valley. Bioscience, industrial and business parks are located along Highway 101, the county's main business corridor.

NORTH BAY

Marin County

Marin County is almost totally surrounded by water: 115 miles of its boundaries are ocean and bays, with only 10 miles of land connecting it in the north to Sonoma County. The quarter of a million residents who live in this community have carefully preserved its beauty, from the picturesque waterfront village of Sausalito to the Point Reyes National Park Seashore.

EAST BAY

Alameda County

Alameda County, located just east of San Francisco across the San Francisco-Oakland Bay Bridge, is both a suburban metropolis and an important industrial area surrounded by rolling hills and numerous recreational parks. The Port of Oakland is the busiest on the bay, and the fourth-largest port on the West Coast. The University of California, Berkeley, has been a spawning ground for the region's culture, as well as for innovations in business and technology.

CULTURAL LIVING

Arts and Culture:

San Francisco offers a myriad of arts and cultural opportunities. When perusing the Pink Section, the weekly entertainment guide published by the San Francisco Chronicle, one will find listings for museums, galleries, theater, concerts, symphony, dance, movies, street festivals, and much more. Between the 3,300 restaurants within the SF city limits, the 118 listed nightclubs/dance clubs, the 90 theaters and small theaters, and the 65 museums, the choices are staggering.

Professional Sports:

Whether you're a baseball, football, basketball, soccer, or hockey fan, the San Francisco Bay Area has a professional sporting event for you to enjoy. Below are listed the professional teams in the area; this does not encompass the various college team sports which spectators can follow (there are more than 35 colleges and universities in the greater Bay Area).

Professional Baseball teams: San Francisco Giants, Oakland Athletics

Professional Football teams: San Francisco 49ers, Oakland Raiders

Professional Basketball: Golden State Warriors

Professional Hockey: San Jose Sharks

Professional Soccer: San Jose Earthquakes

Wine Country:

Hop in a car and drive only an hour north of San Francisco and you will come to Northern California's Wine Country (which includes Sonoma and Napa Valleys). Ever since the 1970s, when a little known red wine from Napa beat out a well-known French wine in a blind taste test in Paris, tourists and tasters have been flocking to the region's sloping hills and vineyards to experience the pleasure and fun of wine-tasting.

Outdoor Destinations:

In every direction (East, West, North and South) of San Francisco, there is an outdoor paradise just a car ride away. From the Marin Headlands to the North, Yosemite National Park to the Northeast, Lake Tahoe on the border of California and Nevada, Monterey, Big Sur, Carmel, and Santa Cruz all on the beautiful coastline to the south, there is a natural wonderland to experience. Only 15 minutes north of San Francisco lies Muir Woods: this National Monument is the site of the Virgin forest of California Coast Redwood trees, among the oldest and tallest on earth.

Sources for Bay Area Fast Facts, San Francisco Neighborhoods, Bay Area County Profiles and Cultural Living sections: SF Chamber of Commerce, San Francisco SFGov: the official San Francisco City and County web site and San Francisco Convention & Visitors Bureau.

SOURCES, RESOURCES AND USEFUL LINKS

Housing:

www.craigslist.org/

RentTech: Bay Area's oldest and largest rental and roommate finding service:
www.renttech.com

MetroRent: rental/roommate finding service:
newplaces@metrorent.com

UCSF Housing Services:
www.cas.ucsf.edu/cho/

San Francisco Info:

www.citysearch.com

SF Chamber of Commerce:
www.sfchamber.com/

San Francisco SFGov: the official San Francisco City and County web site:
www.ci.sf.ca.us/

San Francisco Convention & Visitors Bureau: www.sfvisitor.org/calendar/

SFGate.com: www.sfgate.com/

San Francisco Bay Area Transit Information:
www.transitinfo.org

SF Weekly: www.sfweekly.com/

The San Francisco Bay Guardian:
www.sfbg.com/

Greater Bay Area Info:

The Oakland Tribune:
www.oaklandtribune.com/

San Jose Mercury News:
www.mercurynews.com/

San Mateo County Times:
www.sanmateocountytimes.com/

Marin Independent Journal:
www.marinij.com

Wine Country:

Sonoma Valley Visitors Bureau:
www.sonomavalley.com

The Napa Valley Conference & Visitors Bureau: www.napavalley.org