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Pittsburgh sees historic influx of out-of-town law firms

Premium content from Pittsburgh Business Times by Patty Tascarella, Senior Reporter

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[Jake Lenington](#) came to Canonsburg at the tail end of 2011 to open the first out-of-state office for Houston-based Sadler Law Firm LLP. Within six months, Lenington has hired 12 lawyers and is on track to have 20 aboard by year-end.

That's if the current energy slowdown continues.

"If that picks up, the pace will be faster," Lenington said.

Sadler is among six law firms that have entered southwestern Pennsylvania since December, all hailing from different cities. It is the biggest and most-concentrated influx in the region's history. Even the burst of large Philadelphia firms setting up Pittsburgh offices — many of which rank among the city's biggest — was spread through a several-year span beginning in the mid-1990s.

[Lori Carpenter](#), CEO of downtown-based recruitment firm Carpenter Legal Search, can't recall any time when so many firms have come here in such a short period of time.

"I think it's pretty amazing," Carpenter said. "The firms that are here are asking the question, 'Why is everyone so interested?' It makes everyone a little nervous but it also keeps them on their toes. Competition is healthy."

[Howard Schulberg](#), past-president of the Allegheny County Bar Association, calls the recent increase in law firms “a boon to the legal industry” throughout southwestern Pennsylvania.

“It is something new for us,” said Schulberg, a partner at Goehring Rutter & Boehm. “I do think a lot of it is energy-related, whether directly tied to Marcellus Shale or its by-products. But it’s phenomenal to see this sort of growth.”

Most of the firms said Marcellus Shale activity triggered their entrance here, including Sadler; Bowles Rice McDavid Graff & Love LLP, Charleston, W.Va.; and Saul Ewing LLP, Philadelphia.

But not all. **Gordon & Rees LLP**, San Francisco, was in the midst of a national expansion. Litchfield Cavo, a Chicago-based specialist in civil litigation primarily on behalf of the insurance industry, came here through its purchase of downtown-based Walsh, Collis and Blackmer PC.

Carpenter sees the national economic recovery — and Pittsburgh’s resilience — as the big reason for the expansion.

“Everyone was focused inward during the recession,” she said. “Frankly, they’re reacting to the Pittsburgh economy.”

‘New opportunities’

Robert Denney, CEO of a namesake consultancy to law firms, said so many new firms wouldn’t have come here if they didn’t already have business in the region.

“It probably means firms already here weren’t getting this business to start with or weren’t getting a substantial amount of it,” Denney said. “If they haven’t already, they’re going to lose some lawyers to the new firms that have come into the marketplace. The supply of work is probably far greater than it was and the supply of lawyers will need to increase, some of which is going to hurt the firms already here. That’s just the pattern of what happens. ... It’s a very good sign for Pittsburgh, not just for now but over the next five to 10 years.”

[Jay Panzarella](#), a veteran Pittsburgh lawyer who, with three other colleagues from Schnader Harrison Segal and Lewis, started Saul Ewing’s Pittsburgh office two months ago, believes the newcomers provide “new blood and new opportunities” that may give them an edge in recruiting. Schnader was among the large Philadelphia firms that came to Pittsburgh in the 1990s.

“It will be more difficult for firms that have been in Pittsburgh for a while,” Panzarella said. “There are people looking for unique opportunities and having more options available really helps.”

[David Antzis](#), managing partner of Saul Ewing, said the firm had been looking to enter the region for awhile. It already had several clients in the Pittsburgh area, mostly specializing in energy.

"They said if you have boots on the ground it'll help increase the amount of business we do with you," Antzis said.

Since Saul Ewing is a full-service firm, it also has the opportunity to capitalize on the support industries and services around the energy boom.

"Once you have the national gas companies out there, you get the pipeline companies, water management companies, well production and site permit companies," he said. "And assuming there's more wealth created, you'll see real estate — retail and office buildings and hotels."

Hiring plans

Antzis' goal is to have 20 to 25 lawyers in Saul Ewing's Pittsburgh office.

"And we want to get there as soon as we possibly can," Antzis said. "Whether that takes a year or two, we'll hire aggressively until we get there."

Gordon & Rees also brought on board lawyers who worked as a group at a large Pittsburgh firm, hiring seven litigators from Buchanan Ingersoll & Rooney PC to start its downtown office three months ago. Manoj Jegasothy, appointed Pittsburgh managing partner for Gordon & Rees, said two more lawyers have been added and he's in talks with a few more.

"We'll expand based on client needs and, right now, they're pretty significant," he said. "It wouldn't be surprising if we're at 12 or 15 by the end of the year."

Others took different means.

Sadler is unique among the five newcomers in that it relocated a partner from its Houston headquarters to lead and build the southwestern Pennsylvania office. Lenington, who has done the most hiring, found that the process was tricky. Convincing other experienced lawyers from energy-heavy areas like Houston and Tulsa, Okla., to move here was a tough sell.

"As pretty as Pittsburgh is, that's the \$64,000 question — do they want to come to a new area?" he said.

So Lenington took a different route. Half of Sadler's hires here are local law school graduates, class of 2011. Four were from **Duquesne University**, two from the **University of Pittsburgh**.

"We send them to Houston to train them so they can hit the ground running," Lenington said.

Bowles Rice expects to have a managing partner for the Canonsburg office it opened in March, but hasn't appointed one yet, Managing Partner Thomas Heywood said. [Seth Wilson](#) and [Kim Croyle](#), partners based in Bowles Rice's Morgantown office, continue to supervise the new office and spend two to three days per week in Canonsburg. Two full-time lawyers have been added, bringing the total to five.

"The office continues to grow at a nice clip and over the next year or two we expect to have at least 15 lawyers there," Heywood said.

While Bowles Rice hasn't set a size goal for 2012, "it's highly likely we'll have more by the end of the year," Heywood said.

Paul J. Walsh III, who leads Litchfield Cavo's Pittsburgh office, said his firm "absolutely" plans to hire, but would not provide further details.

"This is part of a long-term strategy for Litchfield Cavo to expand its reach across the country," he said.

Stoll Keenon Ogden PLLC opened its Canonsburg office in July, its first outside Kentucky, to focus on mineral and environmental law for current clients operating in southwestern Pennsylvania. But Managing Director [Bill Lear](#) said he expects to add new clients and lawyers here.

[David Thomason](#), an SKO partner, is among a team of three lawyers who relocated from Kentucky to initially staff the new office.

"We'll be bringing in some younger attorneys but I would say most of the people in the future will come from the Pittsburgh area," he said.

Thomason would not say how many will be added.

"We will grow as need arises," he said. "We've spent a fair amount of time up here doing due-diligence work and there's a lot of opportunity. We're using a little different concept from the other firms because we're bringing in some of our older, more experienced lawyers to open the office and get it going."

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