

## Willkie's Growth in DC Highlights Transition to Go Beyond a 'DC Outpost of Wall Street Firm'

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### What You Need to Know

- Willkie has built out its D.C. office to encompass more practices, including compliance, investigations, crisis management and global trade.
- The firm's growth is an example of the transition some firms make to build out their D.C. office beyond regulatory teams.
- For law firms making the transition, it comes with opportunities as well as challenges.

Am Law 200 law firms have long opened outposts in Washington, D.C., to serve the regulatory needs of their core clients in other offices. But building out a D.C. office to become full-service entails much more of a firm's investment.

Take Willkie Farr & Gallagher. The firm's expansion in the district—growing almost 40% over the past three years to nearly 126 full-time-equivalent lawyers by the end of June 2023—underscores the challenges and opportunities of transitioning from a smaller outpost in D.C. servicing institutional clients to one with litigation, corporate and regulatory capabilities.

While the office launched over 40 years ago, it has hit a growth streak since 2020. Beyond regulatory work, the firm has hired lawyers in D.C. in recent years to establish so-called "destination practices"—with clients originating with D.C. partners. That includes practices in compliance, investigations and enforcement, crisis management and global trade and investment.

"We've really grown where we feel are growing critical areas of the law for our clients," said David Mortlock, Willkie's D.C. managing partner. "Not just providing small pieces of advice here and there, but really major



Courtesy photos

(L-R) David Mortlock, Willkie Farr's D.C. managing partner, and Michael Gottlieb of Willkie Farr & Gallagher.

investigations, major compliance issues, and both for the firm's corporate practice and as a destination practice for other clients that are coming to us for the D.C. practice."

Amid the firm's growth, the firm's D.C. lawyers have landed roles in high-profile matters, from representing the office of the president of Ukraine on U.S. sanctions laws and export controls against Russia to pro bono advising election poll workers in a defamation lawsuit against Rudy Giuliani.

### More Than Regulatory

Several New York and West Coast law firms retain smaller offices in D.C., choosing to focus their Washington outpost on servicing institutional clients from their core practices.

For instance, Cravath, Swaine & Moore's office opening in D.C. last year exemplified a route that some outside firms have taken in Washington, with the Wall Street firm building its D.C. bench by adding lawyers with top government experience who can handle institutional clients' regulatory work.

Meanwhile, other firms headquartered outside D.C. have built out their district offices. Skadden, Arps, Slate, Meagher & Flom opened its D.C. office in 1976 and has about 200 lawyers there now advising clients on a "full range" of transactional to litigation to regulatory matters, according to the firm's website.

The 2008 financial crisis acted as one catalyst for more firms to round out their D.C. offerings in order to keep an ear on regulatory actions, according to two recruiters. Financial regulation, international trade, and antitrust, key practices in the D.C. market, have also brought significant work to law firms in recent years.

Washington firms with their roots in regulation and government contracts have shown in recent years that they are resistant to the ebbs and flows of the economy, as government regulations provide relatively consistent work. Regulatory expertise has also been in high demand, as regulators both in the U.S. and internationally have amped up scrutiny across sectors.

But growing in the district beyond regulatory and enforcement comes with challenges, including billing rate discrepancies between markets.

"The biggest challenge for the New York firms is the rate issue, and that not every D.C. practice can really support New York rates," said Jeffrey Lowe, global practice leader at recruiting firm Major, Lindsey & Africa. "For the New York firms especially, it's coming to terms of which practices, in particular, can support those rates, so that they don't have this imbalance with clients."

### **Diversity of Practices**

Much of Willkie's D.C. hiring has focused on litigation practices in specialties such as white-collar, investigations and securities, among others.

The firm is focused on providing full-service "destination practices" in D.C. and "not just providing service capabilities to clients in New York or other offices," noted Michael Gottlieb, a member of Willkie's executive committee.

Gottlieb added that the firm has diversified its D.C. litigation practice considerably. For many years, it was

primarily focused on audit-related issues and communications litigation, while Willkie now has lawyers with expertise in patent litigation, insurance litigation and class action defense, he said.

Recent additions at the firm include partners Tim Heaphy and Soumya Dayananda, former senior investigators for the Jan. 6 committee, in February and partner Katrina Robson, an antitrust trial lawyer, in April from O'Melveny & Myers.

The law firm also has corporate practice lawyers in D.C., from those in financial services to corporate governance. Earlier this month, Willkie hired broker-dealer and securities regulatory lawyer Brian Baltz as a partner in the asset management department.

Willkie's Washington office is "increasingly seen as having destination practices in certain areas as opposed to being simply the D.C. outpost of a Wall Street firm," observed Dan Binstock, a partner with D.C.-based search firm Garrison & Sisson.

"It's an attractive option for partners seeking a sophisticated brand with additional room to build out D.C.-centric practices," he added.

The firm's D.C. litigators have made news lately. Led by Mortlock, the firm is representing the Office of the President of Ukraine on U.S. sanctions laws and export controls against Russia, in response to its invasion of Ukraine.

D.C.-based IP partners Indranil Mukerji and Stephen Marshall were part of Willkie's tech patent litigation group that helped Body Fit Training secure a summary win in a patent infringement case brought by F45 Training.

And D.C.-based partners Gottlieb and Meryl Governski are leading a Willkie team, consisting of about eight lawyers, in representing Fulton County Georgia election workers Wandrea "Shaye" Moss and her mother, Ruby Freeman, pro bono in a lawsuit accusing Rudy Giuliani of defaming them by falsely stating that they had engaged in fraud while counting ballots at State Farm Arena in Atlanta.

Firmwide, Willkie's revenue grew by 13.1% to \$1.38 billion in 2022, while its lawyer head count rose 19.4% to 1,041. The firm's revenue per lawyer dipped 5.4% to \$1.33 million. Profits per equity partner also took a hit last year, declining 5.5% to \$3.69 million. During that time the firm's equity tier grew 12.5% to 198, while its nonequity or income tier rose by 49.2% to 94.