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Apparel Becomes En Vogue For Fashion-Forward Law Firms

Meet FAB, the Hot New Look In Niche Legal Practices; Returns Can Be a Sample Size

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Aside from actress Reese Witherspoon's character in "Legally Blonde," lawyers are usually more button-down than fashion-forward. Increasingly, however, law firms are launching practice groups tailor-made to serve apparel companies.

As they do, they are finding the work can be difficult, if ultimately rewarding — and the payoff small.

Mounting regulatory pressures and a tough financing market for apparel companies has kept the work for fashion-focused practices steady, but the key to longevity for such a niche practice requires recruiting a stable of clients balanced between established multi-million dollar companies and fledgling, often cash-strapped startups.

This is made all the more difficult in an industry more sensitive to legal costs than most.

"Apparel is sort of what I call a penny-pinching industry," said Edward Poll, principal of LawBiz Management Co. and Edward Poll & Associates Inc. "They're very price sensitive and design sensitive. Things change very quickly and you have to be very nimble on your feet in terms of the speed of response for legal services as well as price sensitive."

Though formation of apparel practices are nothing new, they can be difficult to grow, requiring a firm willing to stomach the growing pains of infant companies with discounts and alternative fee arrangements to see them through to success — when or if that happens.

Rutan & Tucker's 11-attorney apparel practice is the latest to test the waters of the fashion industry, targeting startups with the intent of growing its practice alongside the growth of those companies.

"You have to be collaborative and that's what we've decided to make an investment in," said Vicki Dallas, partner and chair of Rutan's apparel practice. "We're prepared to do fee reductions, discounts [and] some creative alternatives for working with them so that we can grow them and they become viable companies."

Still, the group retained clients it already had been working with prior to the



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Vicki Dallas is partner and chair of Rutan & Tucker's new 11-attorney apparel practice.

group's launch, such as Orange County's homegrown Tapout and Ocean Pacific brands, among others.

It is those existing apparel industry clients that usually serve as the impetus for launching such practices in the first place.

Staci Jennifer Riordan, associate and chair of the 12-attorney fashion law practice group at Fox Rothschild, brought her practice to the firm in 2008 from its previous home at Thelen. The group works with local companies as well as big names, such as Liz Claiborne and Hilco Consumer Capital, owner of such high-end brands as Halston.

Riordan said part of the group's success has been its flexibility in assisting clients across the industry spectrum. Work for the group includes assisting clients with the formation of their companies to investment deals and securities offerings.

"I tell people we'll take your firm from your kitchen table and we'll get you into your first office building," Riordan said. "There's nothing along the supply chain in fashion that we can't work with or haven't done."

Sheppard Mullin Richter & Hampton's four-year-old fashion, apparel and beauty practice of 10 attorneys also was launched with existing industry clients it already served. The move to blanket attorneys under one practice allowed cross-disciplines to work together more closely and share information.

"It certainly helped to add organizational structure," said Robert A. Darwell, partner and founder of Sheppard Mullin's fashion, apparel and beauty practice known as FAB. "It has definitely paid off in terms of our profile and the clients we've done some work for since the formation of the group."

Since its launch, new clients for the FAB

group include Chanel, Versace, Roberto Cavalli and Marc Jacobs.

Experts say the marketing sense behind niche practices make it that much easier for prospective clients to identify and determine who they want to work with for their legal needs.

"Clients generally want two things: They look at firms that have attorneys who practice in their specific industry and they look for a firm that knows their business," said Craig Brown, head of law firm consultant The Motivera Group. "That said, there are very few things that communicate those two things to prospective clients as concisely and effectively as issue specific or industry specific practice groups."

At the same time, Brown said the groups are more than just a marketing ploy to gain new business. Instead, the groups force attorneys to better understand an industry and build off the typical organization of law firms' more traditional practice areas.

The greatest misconception to be had of these niche practices is that fashion law is its own separate corner of the law. Instead, fashion industry attorneys have to be generalists in what they practice but focused on the ins and outs of apparel, retail and other related companies.

As for whether more firms launch fashion-specific practices, it boils down to individual strategy.

"There always tends to be waves and trends," Darwell said. "For a while there, before the economic crisis, people were looking at wanting to pare back on some of the less profitable areas and focus on only the capital markets and corporate practices and as it turned out, that was a bit of a mistake. I don't even know if apparel is even a niche practice if we continue to grow it, it might become a nice-sized practice."