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## Orange County firm with real estate roots expands focus

Rutan & Tucker represented cities in cases against marijuana dispensaries and state agency dissolution.



Rutan &  
Tucker

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BY AMANDA BRONSTAD

**A**t Rutan & Tucker, change happens slowly. Many of its senior partners have worked there for decades. The firm, based in Costa Mesa, Calif., opened a second office in Palo Alto, Calif., in 2003—the first new location since the 1970s.

But with one-third of its lawyers in real estate and corporate work, the firm was forced to make some changes

when the recession hit. Already heavy on partners, the firm laid off some associates. And billing rates, averaging \$300 to \$650 per hour, have remained flat for the past two years.

Now, Rutan & Tucker, which is debt free, has plans to grow, with a larger summer class coming in this year and an eye toward new practice areas such as energy and health care.

“We’re trying to evaluate changes

right now in the legal market—practice areas that maybe we don’t currently engage in that we should be engaging in that are synergistic with our other practice areas, and looking to grow in those areas,” said Kim Thompson, who was elected to a two-year term as managing partner of Rutan & Tucker in March. “Like every other business, we’re seeing glimmers of improvement.”

Rutan & Tucker, founded in 1906,

has a long tradition in Orange County, Calif. "It started off more water law and real estate back when the county was in its early stages," Thompson said. Since he joined in 1985, he said, the firm has grown by more than 50 percent. Today, 144 attorneys work there. The largest practice continues to be business litigation, followed by government relations and regulation, real estate, corporate and employment and labor.

Although the firm had opened additional offices before, Rutan & Tucker had remained solely in Orange County for more than 30 years, until it opened its Silicon Valley office in Palo Alto.

"Palo Alto we found to be similar demographically to Orange County. It seemed like a natural place to expand," Thompson said. "Historically, we've been hesitant to expand into other areas and open other offices, and that was sort of our first foray into doing that after a long respite since our prior offices."

The office now has nine lawyers who practice mostly in construction litigation, but Thompson said he'd like to see as many as 30 attorneys there. He also said the firm is considering opening offices in Sacramento or San Diego, although not for a while.

"Our costs have increased at a modest rate, and our revenues have been just about even," he said.

Although Rutan & Tucker is a full-practice firm, about half its lawyers practice in business litigation or real estate. Many of the firm's clients are title companies, cities or developers with business disputes, Thompson said.

## MARIJUANA AND THE BUDGET

In the past year, the firm has gotten involved in some high-profile issues in

California. Representing 26 cities, most in Southern California, Rutan & Tucker has dipped into the courtroom drama over medical marijuana. Lawyers represent the city of Dana Point, whose officials went to court against half a dozen dispensaries accused of municipal code violations. Two appealed summary judgment rulings against them. California's Fourth District Court of Appeal reversed for the dispensary in one case, while the other is pending.

The firm also represented a group of cities that challenged the constitutionality of legislation signed by Gov. Jerry Brown dissolving 400 redevelopment agencies in California as part of his state budget plan. The cities filed a brief in support of the agencies in a case before the California Supreme Court. On Dec. 29, 2011, the state high court ruled against the agencies, which dissolved on Feb. 1, 2012, after Rutan & Tucker staged an unsuccessful last-ditch attempt for a stay and injunction against the dissolution in Sacramento County Superior Court.

On the corporate end, the firm represents both sides of lending transactions and middle-market companies in mergers and acquisitions.

One client is Primoris Services Corp., a contractor for industrial projects. Brian Pratt, chairman and chief executive officer of Primoris, said his company first retained Rutan & Tucker in 1999 for both mergers and acquisitions and litigation.

"We use them a lot on the front end to negotiate contracts to avoid litigation," Pratt said. He said the firm's lawyers— particularly, Steven Nichols, co-chairman of the construction law group, and senior corporate partner George Wall—have a deep bench of experience.

Thompson said the firm is in the process of evaluating additional practice areas, such as health care and energy. As a result, the firm is looking to hire laterals in those areas, as well as in corporate, employment and possibly intellectual property. This year, the firm's summer program is bouncing back to a class of eight after being cut back in prior years.

And traditionally, that's how Rutan & Tucker has grown. "This tends to be a place where people come and stay, which is a good sign," Thompson said.

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