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Economy, Business and Finance

Giuliani-brand law in NY

Rudy's bid to build branch of Dallas firm in tight market draws skepticism

by Tommy Fernandez

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Rudy Giuliani has been a busy entrepreneur since leaving City Hall four years ago. He has built a consulting firm, Giuliani Partners, that has 60-plus employees assisting clients worldwide on a range of business specialties, including security, investments and banking.

Now Mr. Giuliani is on to his next venture: building a law firm brand in one of the country's most competitive legal markets. It won't be easy.

This past spring, the former federal prosecutor hooked up with Bracewell & Patterson, which is well-known in Texas but had no office and barely any name recognition in Mr. Giuliani's hometown. The renamed Bracewell & Giuliani is raising eyebrows among members of other law firms with its brash attempts to establish an office here.

With the help of two lieutenants from his mayoral administration—former city Corporation Counsel Michael Hess and former Law Department Special Counsel Daniel Connolly—Mr. Giuliani has been able to build up Bracewell's presence in New York to about 20 attorneys from zero. The 400-lawyer firm, which is based in Dallas, hopes to have about 100 attorneys here in roughly two years.

Primed for Growth

"The office is growing by leaps and bounds, and we have plenty of business coming in," says Mr. Hess, managing partner of the New York office. "This is an important part of [Mr. Giuliani's] life now."

The former mayor has replaced daily war room sessions at City Hall with Monday teleconferences and regular Dallas retreats with his new colleagues. He's personally advising clients and aggressively wooing new ones, including companies that have employed his consulting firm. Mr. Giuliani has also been playing a key role in trying to lure attorneys to his firm: Two weeks ago, he met with a senior corporate partner at a New York competitor, as well as a promising second-year law student from the University of Virginia.

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The question is whether the Giuliani factor will be enough to help Bracewell break through. The firm faces steep obstacles in a city that has seen 90 out-of-town entrants in the past five years. Moreover, no one knows whether Mr. Giuliani can commit the time that is necessary to make such a risky venture succeed, given that he may be eyeing a run for the White House in 2008.

Mr. Giuliani's reputation will definitely open doors for first interviews, says legal recruiter Michael Lord, but it won't guarantee new clients or new hires. Many senior lateral candidates will want clear explanations from Mr. Giuliani about his plans before they jump ship.

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Mr. Giuliani, who declined to comment for this article, has already been hard at work answering questions about his plans for public office and for his new firm, says Mr. Hess. In short, the former mayor has simply not made up his mind about future political runs. Mr. Giuliani "without a doubt will be here at least two years, but he could also be here 20," the New York managing partner says.

"He doesn't know what his plans are yet, but he is totally committed to the firm now," Mr. Hess adds. "He would not have allowed the name change if he couldn't commit."

Bracewell & Giuliani has leased 24,745 square feet at 1177 Sixth Ave.—the entire 19th floor—through the end of 2009; it has options to expand onto the 18th floor.

Among the Giuliani Partners clients that have already sent legal work Bracewell's way are nuclear reactor operator Entergy Corp. and Royal Dutch Shell. Mr. Giuliani is looking to generate more legal work from other clients of his consulting business. He also wants to attract other Bracewell clients, such as Verizon, to the New York office.

One of the most time-consuming tasks for Mr. Giuliani is building a staff. Bracewell's immediate recruitment goals are to find talent in the white-collar investigations, real estate, mergers and acquisitions, and general corporate practices. The firm is not using headhunters; Mr. Giuliani and his two lieutenants are personally handling the searches. Recent hires include former Chadbourne & Parke litigator Kenneth Caruso and former Southern District narcotics chief Marc Mukasey.

Even as Bracewell & Giuliani is growing, so are scores of out-of-town competitors. Steptoe & Johnson, which arrived in January, has an 11-attorney office, while Boston-based Bingham McCutchen, a longtime Gotham resident, has added 24 attorneys to its local office this year. Chicago-based Jenner & Block came to the city last week.

Nonetheless, some observers say it is too early to count the former mayor out. "Never underestimate Rudy Giuliani," says recruiter Richard Zakin, a managing director at Solomon-Page Group. "His reputation is still of the highest level in the legal industry."

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