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'Virtual' law firms thinking outside the legal box

San Francisco Business Times - by [Eric Young](#)

With the economy battering big law firms, a new legal business model is blossoming in the Bay Area.

"Virtual" law firms — a collection of experienced attorneys working from home or elsewhere offering counsel on an as-needed basis — are expanding in the region.

These virtual firms are small when compared to national and global legal shops. But their expansion suggests they could have staying power as they attract corporate clients.

Firms like **Axiom Legal Solutions Inc.**, Virtual Law Partners LLP and Rimon Law Group have all grown significantly, attracting veteran Bay Area lawyers who were either laid off or no longer want big firm life. Another virtual firm, **FSB Legal Counsel**, is scouting the Bay Area to recruit lawyers, hoping to plant its flag here this year.

The growth at virtual firms takes place as traditional law firms experience trying times. The recession curtailed legal work, forcing big firms to lay off lawyers, cut salaries and take other expense paring measures to stay afloat.

Virtual law firms don't have big overhead costs like support staff, office leases and six-figure salaries for young lawyers. That allows for their primary appeal: Experienced attorneys offering advice at perhaps one-third or one-half the price of a traditional firm lawyer. Partners at big law firms may charge anywhere from \$400 to \$600 per hour, depending on practice area.

"You'll have someone who really knows what they are doing, working at a rate that is basically about the same as a (young) associate," said Yaacov Silberman, a founder of Rimon Law. Silberman worked at **Ropes & Gray**, one of many founders of virtual firms who began their careers at large law firms.

No one is predicting the death of big law firms. But legal observers said they expect greater segmentation in the legal market with big firms competing for the most significant, big-dollar work like multinational mergers, while virtual firms grab a greater portion of corporate work that doesn't have to be sent to a white-shoe firm.

"A reconfigured way in which legal services is meted out is not just likely but probably a necessity" due to the current environment, said Jeff Brand, the law school dean at **University of San Francisco**.

Lawyers at Axiom, Virtual Law Partners and Rimon got their start at big firms, usually working there long enough to become partner. Virtual firms in the Bay Area list as clients some of the region's biggest companies, including **Cisco Systems Inc.**, **Chevron Corp.**, **Intel Corp.**, **Electronic Arts Inc.**, **Yahoo Inc.**, **Applied Materials Inc.** and **eBay Inc.**

Clients like Rick Runkel, the top lawyer at Santa Clara biotech **Affymetix Inc.**, said they are attracted to the pedigree and prices of Axiom attorneys. Runkel, who also uses big firms like **Wilson Sonsini Goodrich & Rosati P.C.** and **Davis Polk & Wardwell LLP**, recently hired Axiom lawyers for licensing and transactional work.

Axiom "thought through the concept of providing a different approach to outside lawyering," Runkel said. The Axiom attorneys' work was "an immediate hit" and "at rates that are probably 40 percent of what I'd pay using regular outside counsel."

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"Someone who really knows what they are doing" at half the law firm rate, says Silberman.

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