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LAW FIRM BUSINESS

Building On Strengths

Pearson, Simon, Warshaw & Penny started off smart and slow and grew into a law firm that can handle major cases while giving lawyers work-life balance.

By Ameera Butt
Daily Journal Staff Writer

SHERMAN OAKS — A little more than six years after forming Pearson, Simon, Warshaw & Penny LLP, the four founding partners are enjoying the fruits of a hard-won settlement from a case against giant electronics defendants this past winter.

The plaintiffs' firm grew to 14 attorneys and staff in a short amount of time, adding to its case load and representing big clients, like The Walt Disney Co., Chevron Corp. and cities such as Long Beach in a wide range of cases.

But its biggest case came this year when it went to trial against giant electronics manufacturer Toshiba Corp. as co-lead counsel in a six-week jury trial. It was one of the biggest cases of San Francisco partner Bruce L. Simon's career. The matter involved an international price fixing cartel involving transistor liquid crystal displays, which are found in most TVs, computers, laptops and mobile phones.

"It was a new technology that came into the market in the late 1990s, and it was a situation where a group of companies actually met and fixed the price they were going to charge, for what they call the panels, which goes into the finished products we all buy," he explained.

The antitrust class-action case was litigated in the Northern District of California for 5 ½ years, Simon said.

The only remaining defendant in the case was Toshiba Corp., which settled for an undisclosed amount of money this summer. However, the total amount of the settlement for the other defendants — Samsung Electronics, Sharp Electronics and others, was \$443 million, Simon said.

"[The trial] had witnesses who didn't speak English and [also had me] cross-examining them as translation was going on," recalled Simon. He said the trial "had all the highest end trial technology going on in the court. Even for somebody who has tried a lot of cases, absolutely fantastic experience."

Simon specializes in antitrust, securities and consumer fraud. He and Clifford H. Pearson, partner in the firm's Los Angeles office, Theodore A. Penny and Daniel L. Warshaw formed Pearson, Simon, Warshaw & Penny LLP in 2007. It currently has offices in Sherman Oaks and San Francisco.

Simon said he and Pearson wanted a national



Hugh Williams / Special to the Daily Journal

From left, Clifford H. Pearson, Theodore A. Penny, Daniel L. Warshaw and Bruce L. Simon of Pearson, Simon, Penny & Warshaw LLP.

presence for the new firm and a place where they could practice the types of law they wanted, taking on individual cases and cases for businesses with contract or intellectual property claims. The firm's work takes its lawyers across the country, with cases in Seattle, Chicago and even Taiwan with the LCD case.

The firm has expanded from the four original partners to 14 attorneys and staff split between the San Francisco and Sherman Oaks offices.

"From our point of view, we have succeeded enormously ... obtained lead positions in a number of major cases, great results from settlements and trial perspectives," Pearson said. "We've grown beyond our wildest imaginations."

But the growth and success weren't without hurdles. The firm had to manage the growth and not outgrow itself, Simon said.

"You need to staff up to run those cases, but you don't want to grow so big that if the volume of the cases goes down you are overstaffed," he said.

For now, the firm isn't planning on opening new offices, nor does it want to get too big, Simon said.

"Part of what we offer is we are a boutique firm that is efficient and doesn't have a giant overhead," he said.

The partnership is also a bit unusual. Three of the four were older than 50 when they founded the firm.

"Dan provided us with the energy," Pearson said, "took a risk and the risk was successful."

The firm started out by bringing in hourly work that propelled it forward in the early years, said Penny, who chairs the firm's employment

department. Each partner also brought in his respective clients.

With a practice that includes consumer fraud, securities litigation and antitrust, the firm has to be geographically diverse to compete with the larger plaintiffs' firms, Simon said.

Currently, the firm is handling cases that deal with digital music — which is up Warshaw's alley. A partner in the Los Angeles office, Warshaw is handling a couple of class-action cases pending in U.S. District Court for the Northern District of California that deal with various artists who allege they are entitled to 50 percent of revenues from downloads and streaming rather than 10 percent to 12 percent royalties.

The four partners bring different sets of skills to the partnership that complement each other, Simon said.

"It is synergy. We feed off of each other's skills and abilities, but at the bottom it's trust and who you are partners with and knowing that they are going to make the best decisions for the partnership," he said.

Simon said the firm stresses the importance of people — the clients and colleagues.

"People have to have their lives, have some balance in their lives. I think we pride ourselves on not where we're mill-grinding everybody to work so hard they can't enjoy it."

For example, younger attorneys at the firm get high-level experience almost immediately, Simon said.

"It's a critical part of our business model, as well," Simon said. "The people want to do things that they may not be called upon to do so early on in their careers at other firms who have a standard business model."