

VIRTUAL LAW PARTNERS EXPANDS AT RAPID CLIP

By Sara Randazzo

Daily Journal Staff Writer

SAN FRANCISCO - Call it version 2.0 of a version 2.0 law firm.

In its first year of operation, Virtual Law Partners - the Web-based firm that operates sans office space - has grown from eight partners to 40, and it plans to continue expanding by three or four attorneys per month, said Craig Johnson, VLP's CEO and co-founder.

The firm late last week announced the additions of Ari Kahan, Michael Powlen, Andy Toeppen, Brian Swanson and Geoff Ossias.

Powlen chose to go virtual after more than 20 years in private practice at Morrison & Foerster. The former head of MoFo's tax department, he worked for a year at Global Law, a cyber-firm he founded, before joining VLP.

"The ability to efficiently deliver services to clients at a reasonable cost is becoming more and more of a challenge at big firms," Powlen said. "I'd never practiced in a smaller environment before, but it was more rewarding personally. There was more time to be hands-on, there were no pressures to meet minimum hours and no group of younger associates to have to keep busy."

At VLP, Powlen charges \$385 an hour, a fraction of the \$950 an hour he could charge at MoFo, he said. Lower fees are possible because VLP has limited overhead and only hires partners, who are more efficient than associates, Johnson said.

Johnson envisions the firm eventually including hundreds of partners worldwide. As of now, VLP has lawyers in eight states and seven practice groups, which include corporate, securities, mergers and acquisitions, tax, patent and trademark prosecution, commercial lending and technology transactions.

"The biggest challenge is making people who join us feel like they are part of a common firm," Johnson said. "They're not coming into the same building, they're not working in adjacent offices. The issue is how do we make these people feel they're part of a common enterprise?"

The answer, in short, is technology. The firm uses teleconferencing and video Skype to hold virtual meetings but also makes an effort to meet in person as frequently as possible.

Swanson also had a Web-based practice of his own before joining VLP. He specializes in transactional work for health care and technology clients, and worked previously at Shearman & Sterling, as well as in-house at Neoforma.com and Varian Medical Systems Inc.

Kahan left his post as general counsel for United Microelectronics Corp. to come to VLP, where he continues to work for UMC while also taking on other clients in the semiconductor industry. Before going in-house, Kahan litigated technology cases at Wilson Sonsini Goodrich & Rosati.

Toeppen most recently worked in the Silicon Valley office of Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, specializing in corporate and securities law, with an emphasis on the formation and financing of technology startups.

Ossias' resume includes time as a corporate attorney at Cooley Godward Kronish, as senior counsel at the Securities and Exchange Commission's division of corporate finance and in-house at MyPoints.com, a San Francisco-based Internet marketing company.

One year after its founding, Johnson said the firm's policies, such as setting no minimum-hour requirements and paying attorneys 85 percent of the fees collected, seem to be an economic success.

"We're inventing a new business model; we don't have anyone to copy from," Johnson said. "We're constantly encountering questions that normal law firms haven't had to confront. But it's working out."

sara_randazzo@dailyjournal.com