

ORANGE COUNTY BUSINESS JOURNAL

Legal Trends in Orange County

by James D. Stroffe, Managing Shareholder, Friedman Stroffe & Gerard, P.C.

As a full-service business law firm, we are involved in many different areas of the law, including corporate and transactional; real estate; construction; labor and employment, intellectual property, and litigation. There have always been fluctuations in which practice area of our firm dominates. This is usually a result of economic shifts of which there have been many recent examples.

Our real estate practice has seen substantial activity in certain market segments, while others have diminished. For example, where we had previously been heavily involved in negotiating retail space and other business leases, the retail segment (including Orange County establishments) hit some bad times recently and has dropped off substantially.

There has been a rise in labor and employment disputes in virtually all industry sectors in Orange County, with matters such as class action wage and hour claims, wrongful termination and sexual harassment and discrimination disputes. In this arena, business owners not only request compliance assistance, but also value pre-emptive advice, and in the event of litigation, seek expert advice to navigate these disputes in a cost-effective manner.

For many years, we were involved with a number of action sports companies who required a cross-section of our expertise spanning all practice areas. The action sports industry has been going through some difficult times as an industry. In contrast, when times are good in this industry, lawyers are involved in mergers and acquisitions, licensing opportunities, trademark, copyright and other intellectual property services, leasing and similar transactions.

Business litigation will always occur in a vibrant economy such as Orange County, simply because of the sheer volume of transactions, but it seems to expand exponentially when the regional and national economy falter. We may be on the precipice of an expansion in business litigation. The economy is quite volatile right now. However, we believe that it is important to protect and advise clients with practical solutions -- to negotiate and where possible settle disputes -- and in most cases to litigate as a last resort. The cost of litigation today, especially for small businesses, with the vast amounts of electronically stored information that must be collected, reviewed and evaluated in business cases and the

need for experts of different types, not to mention delays due to courtroom overcrowding and budget constraints, is very high and should be undertaken cautiously. Even with a substantial up-front retainer, litigation costs are inevitably considerable and it is difficult for individuals or small businesses to afford the fight, no matter how just the cause. Depending on the nature of the dispute, retainers of \$25,000 or more are often insufficient.

While we represent some publicly-traded entities, the majority of our clients are entrepreneurial ventures involving real estate development, manufacturing, retail, licensing entities, and service providers. Many are closely-held and it is common to see disputes involving ownership and management issues with closely-held and family-owned businesses. Especially now, with the aging baby boomer population, issues involving succession and transition of ownership are more prevalent.

Overall practicing law has become much more competitive. Billing rates in Orange County are typically more affordable than those in LA. The benefit to OC business owners is that they have opportunities to select highly qualified attorneys at more affordable rates, especially when those lawyers practice within a small to mid-size firm structure that allows exceptional expertise without the high overhead of large national firms.

ABOUT FSG:

Friedman Stroffe & Gerard, P.C. is a full-service business law firm representing clients in a wide variety of business transactions and litigation matters. The firm's practice groups include: Corporate & Business including Mergers and Acquisitions; Intellectual Property; Real Estate & Construction; Litigation; and Employment & Labor.
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