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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

California Powerhouse: Greenberg Glusker

By **Kurt Orzeck**

Law360, Los Angeles (May 26, 2015, 7:52 PM ET) -- A modestly sized firm with only one office, Greenberg Glusker Fields Claman & Machtinger LLP didn't expect to provide representation in one of the most salacious storylines of 2014. But after highly publicized racist remarks made by former Los Angeles Clippers owner Donald Sterling, Greenberg Glusker deftly handled the team's record-breaking $2 billion sale by his wife, a longtime client.

The Sterling disputes required the bulk of the firm's resources: about two-thirds of its 81 attorneys at any given time, and practices including trust and estate planning, real estate, probate, corporate, sports, licensing and intellectual property. Greenberg Glusker's success in the six-day sale of the Clippers and the biggest media battle of 2014 has earned it a spot on Law360's California Powerhouses list.

Incidentally, real estate was the focus of the firm when Phil Glusker, Irving Hill and Arthur Greenberg founded it in 1959 in Los Angeles, where the market was booming. Now, Greenberg Glusker is coming off one of its most successful years, despite not having massively expanded its staff or opened a second office.

"Last year was a hell of a ride," said managing partner Bob Baradaran, who has been with the firm for two decades. "The Sterling transaction was a good example of our ability — as a small, agile, full-service boutique — to do essentially 90 percent of what our clients need."

Donald Sterling's wife, Shelly, initially reached out to Greenberg Glusker partner Bertram Fields, one of the top entertainment attorneys in the U.S., in late 2012 for what turned out to be a real estate planning issue. Greenberg Glusker partner Laura Zwicker helped her draft a will and amend the Sterling Family Trust agreement.

But in April of last year, when TMZ and other media outlets disseminated her husband's racist remarks from private recordings with his alleged girlfriend, she turned to Zwicker for help dealing with the fallout.

"Starting out, we had no idea the Clippers were even going to be an issue," said Zwicker, who joined the firm in 1997 and also chairs its private client services group.

National Basketball Association Commissioner Adam Silver responded swiftly, banning Donald Sterling from the league for life and fining him $2.5 million within days. In addition, Silver said if he didn't sell the Clippers, the NBA would seize and auction the team.

Shelly Sterling met with Silver, who agreed to allow her to sell the team through the trust, as long as she did so quickly, according to Greenberg Glusker partner Stephen Smith, a member of her litigation team. The firm's attorneys also successfully transitioned Clippers employees without triggering state and federal laws requiring a 60-day notice of termination.

"That's where the qualities of the firm came out," Smith said. "Bob scrambled to conduct a single-bid auction within days. It was kind of a miracle. Then the deal had to be written up within a couple of days."

"I don't think anybody would've said we didn't get a good enough price," Baradaran added of the $2 billion transaction — the biggest in the history of the NBA. Also coordinating the deal was accomplished trial lawyer and Greenberg Glusker partner Pierce O'Donnell, whose work on the case landed him a spot on Law360's 2014 list of Media MVPs.

After former Microsoft CEO Steve Ballmer signed a deal to buy the team in principle, Donald Sterling reneged on his alleged promise to give his wife authority to negotiate on his behalf. But Greenberg Glusker's previous represention of Shelly Sterling paid off: Zwicker had included in the trust a provision allowing for the removal of a trustee determined to be incapacitated, and two doctors found Donald Sterling to be mentally incapable.

In July, a California probate judge tentatively ruled that Shelly Sterling had authority to seize control of the Clippers. The following month, a state appeals court refused her husband's last-ditch effort to block the sale.

"Having so much attention focused on a probate proceeding was unprecedented," Zwicker said, noting that they usually occur without much fanfare.

She noted that, while the Sterling dispute drew a disproportionate amount of media attention, diminished capacity regularly factors into her cases. Earlier in the day, she had talked with the family of a client who is losing capacity in a real estate matter involving $200 million, she said.

"The issues and steps that we took in the Sterling matter happened very quickly and very publicly, but those same transactions are happening every day for our clients," she said. "They just probably won't end up in front of the cameras."

The Sterling dispute turned out to be one of Greenberg Glusker's highest-profile successes, ranking among its high-watermark wins for plaintiffs in two profit-participation cases: Jeffrey Katzenberg's $250 million suit against the Walt Disney Co. in 1996 and the J.R.R. Tolkien estate's $150 million suit against New Line Cinema in 2008. Both suits settled for undisclosed amounts.

Handling both those matters was leading entertainment attorney Bonnie Eskenazi, who is also representing the Tolkien estate, Fourth Age Ltd., in its $80 million copyright suit against Warner Bros. Digital Distribution Inc. over Middle Earth-themed gambling games.

Fourth Age has alleged Warner Bros., New Line Productions Inc. and the Saul Zaentz Co. ignored the limitations of the rights they purchased more than four decades ago by developing gambling and video games based on "The Hobbit" and "The Lord of the Rings."

Eskenazi told Law360 that Greenberg Glusker, which focused on real estate for its first few decades, grew its entertainment team when it merged in 1982 with a practice owned by Bert Fields, who represented George Lucas in contract negotiations with the Walt Disney Co. and represented Michael Jackson against child-molestation charges.

Fields recruited Eskenazi after her former firm, Wyman Bautzer Kuchel & Silbert, dissolved in 1991, she said.

Eskenazi added to her impressive list of credentials last year when she served as outside general counsel for Bob Marley's estate and Ziggy Marley, negotiating a groundbreaking marijuana licensing deal with Privateer Holdings to create the new cannabis brand Marley Natural.

"The laws in this area are very contradictory and complex, and marijuana is still defined as a controlled substance under federal law," she said, noting that many states have relaxed its laws governing the drug. "We literally had to analyze the law every day and talk with my colleagues and ask, 'Where are we at today?'"

Eskenazi, who has sat on the firm's five-partner management and executive committee for the past 10 years, said the last time she witnessed a major expansion at Greenberg Glusker was when the firm recruited 19 attorneys in January 2012 after Rutter Hobbs & Davidoff Inc. closed.

"We have never expanded for the sake of expanding," she said, echoing similar sentiments made by Baradaran.

The firm did make some tactical growth last year by adding partner Pete Nyquist — formerly of Alston & Bird LLP — and two associates to its eight-attorney environmental practice, according to David Cranston, chair of its environmental group.

He said the extra muscle was much needed, with the group having its most successful year and environmental matters becoming increasingly popular in California.

Greenberg Glusker's environmental practice bolstered its reputation by successfully representing Union Pacific Railroad Co. against allegations by the U.S. Environmental Protection Agency that it and other potentially responsible parties were legally responsible for a 4.5-mile long regional contaminated groundwater plume in Southern California.

Cranston said the case was significant based on the sheer number of parties involved — more than 100 — and the size of the alleged plume, among other factors.

"We have significant breadth and depth of expertise concentrated within a relatively few lawyers," he said. "This allows us to dedicate fewer lawyers, or even a single lawyer, to complex matters implicating multiple disciplines."

Cranston added that Greenberg Glusker also distinguishes itself from the competition by offering lower rates and alternative fee arrangements, sometimes working on a contingency or hybrid-contingency basis.

In addition to entertainment companies and sports heavyweights, the firm's client base includes mid-cap corporations, high-net-worth individuals and families, and Silicon Beach startups. Some of the clients are confidential, such as many of the ones handled by Greenberg Glusker's real estate practice, which Baradaran says continues to remain a strong focus for the firm.

He said the firm's relatively small size is a major selling point for clients.

"I cannot tell you how much they appreciate that, when they come here, there are the same three, four or five people working on their matters, as opposed to them getting handed off to other attorneys," Baradaran said. "We've picked up clients that have typically used larger firms with multiple offices saying it's a very frustrating thing for them, to be handed off."

Even though Greenberg Glusker only has one office, the firm reaches clients across the U.S., according to the managing partner. While it's hard to predict what Greenberg Glusker might look like in another 56 years, he says the firm still doesn't have any plans to open additional offices.

"Never say never, but we've really been successful in just operating from here," Baradaran said.

--Additional reporting by Daniel Siegal. Editing by Chris Yates.
