

LOS ANGELES

Daily Journal

— SINCE 1888 —

SEPTEMBER 3, 2010 | SOLO AND SMALL FIRMS

Value Added

Scions of an Orange County legal titan learned small gestures can lead to big things

By **Don J. DeBenedictis**
Daily Journal Staff Writer

IRVINE - Mark W. Yocca recently spent several hours poring over material from a trial so he could advise the loser what to do next. Yocca, a partner in Irvine's Yocca Law Firm, didn't bother charging for his time.

Yocca is a litigator who has successfully represented major Orange County companies such as the billion-dollar circuit maker Microsemi Corp., and public television station KOCE.

But this caller, he didn't even know.

We field many calls from people we know can never pay us," Yocca said.

As he and his partner and eldest brother, transactions attorney Nicholas J. Yocca, see it, a central element in how they run their law firm is to be open to friends and friends of friends who need a little help.

"Make yourself available," said corporate lawyer Nicholas Yocca, who estimated he spends an average of an hour a day giving away his advice. "It might help [the callers'] business save a few dollars or from going down the wrong road."

"We have clients who really become our family friends, and we care deeply for them and want them to do well," he added.

If that seems like a strange way to run a law firm, consider who gave them the idea: their father, Nick E. Yocca, a grand, old man of the Orange County legal community and a founder of Stradling Yocca Carlson & Rauth.

For years, his sons said, the senior Yocca spent a few hours a day giving free guidance to worried businesspeople referred to him by clients and friends - to the extent that many people know him and love him.

"When we were growing up, we could not go to a dinner or church or a ball game without three or four people coming up and hugging Dad," Mark Yocca said.



Nicholas J. Yocca

Mark W. Yocca

The method helped build Stradling Yocca into one of Orange County's largest firms, the brothers said. Similarly, the Yocca Law Firm landed a client referred by someone they helped.

"They're both very bright and very good lawyers," the senior Yocca said about his sons.

Like his father, Nicholas Yocca represents many entrepreneurs launching new companies. They often have more energy than money, he said, so the firm works out billing arrangements they can afford. "We take a minimal amount and give them a year," he said.

"We have a lot of stock certificates we can use as wallpaper," added his brother.

If a client's business idea flops, that's OK, they said, because the client will come back to the firm with a new startup - and with a much better idea of how to succeed. "We help them on their next deal," Mark Yocca said.

The firm looks for creative billing arrangements for litigation matters, too.

For example, Mark Yocca recently scored a significant victory for Microsemi Corp. before the federal International Trade Commission in Washington, D.C., winning a finding that the large Irvine-based semiconductor company had not infringed on a patent belonging to smaller rival O2 Micro International. The patent covered power-regulating chips used in LCD televisions and other liquid-crystal displays.

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Microsemi, which expects more than \$146 million in sales this quarter, is a major client of the firm and of Stradling Yocca. The Yoccas' father was the company's board chairman for a few years.

For that case, Mark Yocca said, the firm calculated about how long the litigation would last and what the big expense points would be and then estimated the total fee. Then, it billed the client a fixed amount every month.

Corporate attorney Nicholas Yocca said that billing approach benefits a public company because the company's financial reports won't show litigation expenses bouncing up and down wildly from quarter to quarter. If those expenses "trough in quarter one and peak in quarter two, Wall Street thinks, 'Man, things are going down hill,'" he said.

"They worked with us on a very creative fee arrangement... that helped the company achieve its business and legal goals," said Microsemi general counsel David Goren.

Goren said the firm generally is "very, very, very creative" in its approach to solving the company's problems.

And the small firm provides services on a par with the large national firms Microsemi also uses. But in the patent matter, it charged about 25 percent of what those larger firms estimated, he said.

Of course, the six-lawyer law firm does charge less than big firms do - generally by about 30 percent or 40 percent, Mark Yocca said.

In a different Microsemi matter, he was able to fend off a large lawsuit procedurally, and the case settled for no money.

The plaintiff was represented by McDermott Will & Emery.

"We found out [the plaintiff] spent \$1 million in fees," he said. "Microsemi spent \$300,000."

The partners know what big firms charge because they used to be at big firms. Mark Yocca practiced with Paul, Hastings, Janofsky & Walker for six years. Nicholas Yocca was at Stradling for 14 years. And their third partner, 17-year attorney Paul Kim, who primarily handles employment litigation, was with local intellectual property giant Knobbe, Martens, Olson & Bear.

The firm's basic business plan is to provide "excellent legal services at a great value," Mark Yocca said.

One way they approach that goal is by not hiring new lawyers straight out of law school who need training.

They do, however, get great value from the one or two law students they hire as clerks each summer. "We bill them out at \$20 an hour," Nicholas Yocca said. "We might pay them half that."

And they are open to hiring more experienced lawyers. The two said they occasionally hear from lawyers at big firms whose clients can't afford big-firm rates anymore. To hang on to the clients, the lawyers consider moving to smaller firms with lower rates. In those situations, "either the client is going away or the lawyer is going away," Mark Yocca said.

Nicholas Yocca said their firm is in a growth mode right now, with plans to expand to 20 lawyers.

And the brothers say the firm is a great place to work.

"It's important the people you work for and work with get along well," Nicholas Yocca said. "We try to treat everybody like family." ■

The Yocca Law Firm

Irvine

Number of lawyers: 6

Founded: 2000



Specialty: Corporate transactions and governance.
Complex business litigation, including employment
and intellectual property

Business Tips

- Treat clients like family.
- Be accessible.
- Be willing to provide free advice to friends of clients and family.
- Bill a flat monthly amount on major litigation rather than hourly total.
- Bill low to start-up companies in expectation of returns later.
- Don't hire brand-new lawyers.
- Do hire cheap law students as summer clerks.
- Maintain partner involvement in all matters.