

Earning interest

Over the past two years, Holland & Knight LLP has put Latin America centre stage within its global practice with the addition of two new offices and a flurry of lateral hires in the US. **Joe Rowley** talks to the partners responsible for increasing the Florida firm's visibility in the region

Speaking at the Summit of the Americas in Colombia's Caribbean coastal city of Cartagena two years ago, US President Barack Obama made an announcement that made business headlines around the world. After it had languished on the drawing board for more than six years, Obama revealed that a long-awaited free trade agreement (FTA) between the US and Colombia would come into effect the following month. The two countries first signed the agreement back in 2006, but a series of amendments, including the addition of tough new environmental and labour provisions, led to lengthy negotiations that pushed back the timetable. For international and domestic observers, the ability of both countries to reach an agreement, far sooner than expected, not only emphasised the distance Colombia had travelled since its turbulent past, but opened the door for a significant uptick in trade between the two nations.

On the same day the FTA came into effect, Holland & Knight LLP formally opened an office in Colombia; the firm's first in Latin America. The symbolism of a US firm opening its doors in Bogotá on the day Colombia enacted one of the most progressive FTAs with its closest political ally did not pass unnoticed at the firm. For Latin America practice head Roberto Pupo, the timing of the two events may have been coincidental, but both developments can be traced to long-term factors indicative of Colombia's bright economic prospects in general, and for the legal market in particular. With over 30 years' experience advising clients on their operations in Colombia, and a client book featuring international heavyweights like US mining

company Drummond, the firm already had a long history in the country. "The day the treaty between the US and Colombia became official...was the day we physically opened that office, but in terms of work Colombia has been a country we have been in for decades," notes Pupo.

Bogotá calling

Much of Holland & Knight's Latin American work has traditionally been handled by its Miami office, which concentrates on corporate and M&A work. But recently, the firm has diversified and expanded its Latin American offering away from its Florida base. Over the past two years, Holland & Knight's aggressive growth strategy has seen it add offices in Colombia and Mexico and make a series of well-considered lateral hires in New York and Miami – taking a substantial leap from a firm with a respected, but not the most visible, Latin American practice to being one of only two US firms with a presence in both Mexico and Colombia. (Baker & McKenzie LLP is the other.)

Despite representing a major shift from Holland & Knight's previous approach towards Latin America, Pupo maintains the decision to establish a physical presence was client driven and came as a "natural outgrowth" of the "tremendous growth opportunities" they began to register in those countries.

With Holland & Knight's partners detecting growing interest from their client base in Colombia (and spending more and more of their time there), towards the end of 2011 the management committee scheduled a series of meetings with key partners across the firm's offices to discuss how to proceed. Among them were Miami-based managing partner Steve Sonberg, co-leader of the international and cross-border transactions practice group George Mencio and financial services group head Joe Sirven. Partners tasked with leading Holland & Knight's specific Latin American initiatives, such as Pupo

and Tampa-based Bob Grammig, were also included, while Enrique Gómez-Pinzón, a native Colombian, provided a view on the local legal market.

Since joining Holland & Knight in 2003, Gómez-Pinzón has been a key part of the firm's Latin American efforts; juggling busy arbitration and corporate practices in Bogotá and Washington, DC. With experience setting up Gómez-Pinzón Zuleta Abogados, which remains one of Colombia's leading corporate firms, he was also able to provide a first-hand perspective of the Colombian market and an enviable contact book. For Pupo, this also made Gómez-Pinzón the obvious choice to lead the new office: "Enrique is one of the most recognised names in the legal market in Colombia, so asking him to become the executive partner was easy," he says.

In February, three months before the office was due to open, Holland & Knight presented Gómez-Pinzón with its offer: "The only question I was asked was whether I would be willing to head the office in Colombia and spend the majority of my time in Colombia and I never hesitated," he remembers. "I was tired of doing business from the living room and dining room of the apartment I have here in Colombia, and the opening of the office came at a good time economically [for the country]."

At first sight, the office, which began operations on 15 May with six Colombian attorneys, looked to some in the local market as being motivated mainly by Gómez-Pinzón's desire to return home after 16 years in the US. But Holland & Knight soon sent a clear signal that the office would be more than a vehicle to keep one of its start performers at the firm, adding a further three partners and one associate four months later. Conscious the firm was newly established in the market, Gómez-Pinzón was keen that the hires should not lead to bad blood with rival firms in the market, and so avoided the talent pools of the established players by hiring from a tax



Enrique Gómez-Pinzón



Stephen Double



Guillermo Uribe



Roberto Pupo



Boris Otto



José Vicente Zapata

boutique, Citibank and Southern Cross to add experience in tax, labour and oil & gas. “People have to understand that we have just been established and we are not coming here to take anyone’s business; the cake is larger so everyone will continue to have a share,” he says. In April this year, Holland & Knight’s diplomatic approach to lateral hiring with respect to the larger firms was in further evidence, with its merger with the bulk of small natural resources and infrastructure firm Suárez Zapata Partners – adding José Vicente Zapata as a partner and 12 associates to the headcount.

The firm’s growth is not yet complete. Holland & Knight is currently building larger offices and plans to increase headcount from 22 currently to around 30 by the end of the year. “Colombia’s growth last quarter was 6.4 per cent, which is very interesting to look at,” says Zapata. “With the re-election of President Santos we should expect that the next four years, from an economic and a development perspective, will be very aggressive on many fronts, which requires legal support, including oil & gas, mining, infrastructure... and clients are increasingly seeking to find highly specialised teams well suited to respond to client needs in Colombia and Latin America.”

Mexican momentum

While Holland & Knight’s entry into Colombia may have been exceptional for its departure from the firm’s previous strategy towards Latin America, its move into Mexico grabbed headlines for its scale and confirmed to the Latin American market that the firm was serious about its expansion on the ground. Holland & Knight entered Mexico by poaching a group of lawyers from Chadbourne & Parke SC (plus a fifth associate from elsewhere) to open a 10-lawyer, three-partner office in Mexico City. Boris Otto, Chadbourne’s local managing partner, and Alejandro Landa moved over alongside three hires recently made by Chadbourne that included José Antonio Prado, the former general counsel of the Comisión Federal de Electricidad, in anticipation of the predicted rise in work.

Holland & Knight had been operating in Mexico through a joint venture with local firm Gallástegui y Lozano SC since 1998, but Pupo says that the opportunity to integrate a new office ahead of a sharp uptick in legal work in the Mexican legal market represented too good an opportunity to miss. “In keeping with our ‘one firm’ philosophy and our fully integrated model for Holland & Knight for all of our offices, we wanted to have our own office and be in more direct control of our destiny,” he says.

US firms’ interest in Mexico is longstanding, and there is a large group of them already operating in Mexico City – a number of which are established, successful names in the market. More recently, however, the foreign players have fallen victim to each other’s talent strategies in the country. Otto says that one of the key motivations behind his team joining Holland & Knight was the firm’s “strong Latin American profile” and “ability of the firm to understand the reality and the differences of the Mexican legal market” compared to other jurisdictions. “There has been growing interest by US firms in Mexico, but...compared to Holland & Knight, you begin to see that it is more an opportunistic approach than a well-thought, long-term commitment,” he says. Another firm that has recently shown it is committed to Mexico for the long haul is Hogan Lovells, which has just merged with Barrera, Siqueiros y Torres Landa, a large, full-service firm.

Given the task of managing the new office, Otto’s first challenge was to ensure it met the same standards of Holland & Knight’s other outfits. A second objective was to investigate the potential for further growth. Early into the role, Otto recounts that the benefit of being part of Holland & Knight’s network became clear when he started to receive calls from partners in other offices looking to get more information about the new office and find out whether there was any possibility for collaboration. He remembers a call from the Boston office, where Otto and his team were asked to assist the governor of Massachusetts on a trade mission in March. “It was a great vote of trust from the Boston office,” he says. Accompanying the governor on the trip were representatives from transportation, energy and life sciences sectors based in Massachusetts. “We are right now seeing the fruits of that trip and it has been great,” Otto adds.

Less than two months before the trade mission was due to arrive, Otto fulfilled his second brief. In a move taking many within Mexico’s legal community by surprise, Holland & Knight announced it had hired Guillermo Uribe and three associates from DLA Piper Mexico, SC, putting itself at the forefront of real estate financing in Mexico.

Helping to pioneer the use of FIBRAs – Mexico’s answer to real estate investment trusts – through the launch of FIBRA Uno in 2011, Uribe not only helped introduce a brand new asset class into Mexico, but also carved a reputation for himself as a leading authority on the use of the vehicles in the country. He has already worked for FIBRA Uno at his new firm. Holland & Knight has since gone on to hire the former general counsel of French energy multinationals Alstom and Areva as senior counsel to strengthen its energy offering.

Former classmates at law school and colleagues at Thacher Proffitt & Wood LLP (before going their separate ways after the firm’s collapse in 2008), Otto and Uribe already enjoyed a close relationship and a meeting was arranged to discuss the possibility of bringing Uribe and his team into the firm. “Almost from the start we said we’d like to have Guillermo and his team and he was one of the first people we reached out to when we opened the office,” says Pupo.

For Uribe, the most important consideration was the firm’s depth of coverage in the region. “It is one thing to say you are committed to Latin America and another is to have 60 lawyers fully dedicated to the practice in Latin America,” he says. “When you see Latin lawyers that are working in the Latin American group and have influential leadership positions within the firm, you realise the Latin American practice is important.” He thinks that genuine commitment to the region is “something that you cannot actually see in many US law firms”.

As in Colombia, the Mexican team is looking to grow further and building new, larger offices, due for completion at the end of August. As for the immediate future, Otto says he is currently in discussions with a number of potential lateral hires. Currently the practice has a headcount of 18 lawyers; Otto predicts there will be between 25 and 30 lawyers at the end of the year. “We believe that a 30 to 40-lawyer office in Mexico would be a good number in order

to have well-diversified practice,” he says.

The firm has also been shoring up its capabilities in the US. As well as a string of hires in Miami that add to its aviation, regulatory and compliance and financial services teams. Holland & Knight has also recognised the need to boost the amount of relevant talent in its New York partnership. For a firm with the bulk of its US-based Latin American team residing in Miami, this was a necessary move to show it is serious about the region given the volume of work that is still done through the city. New York still finances much of the deals in the region – which are still largely structured under New York law – making it crucial for a US firm to have a serious offering there if it is to be a key player in Latin America. First, the firm brought in Stephen Double, of counsel at Arnold & Porter LLP, who has already raised its visibility in banking and finance deals. It then scored well in attracting Norberto Quintana, a counsel at Davis Polk & Wardwell LLP, who has extensive experience in finance transactions across Latin America. Early this year, Xavier Ruiz joined the firm’s cross-border transactions team from K&L Gates.

“The firm has really brought in a significant number of new partners that have a strong relationship with banks, both on the underwriters’ side and the lenders’ side, which helps us continue to go out and actively pitch for that kind of work in the region,” says Double. While the New York and Miami office overlap in some areas (Pupo does finance work in Latin America, for example), the team says each office remains sufficiently differentiated in their core practices to complement each other. Double says that, in addition to the New York office’s existing client base, the Miami’s office’s book of corporate and M&A clients feeds it work when they require finance from New York lenders.

No more hub and spoke

The Bogotá office has been open for two years now. While it hasn’t been hugely visible on the transactional circuit locally

(which is largely the domain of the country’s four largest firms) it has assembled a team of lawyers with the necessary experience for Colombia’s growth trajectory. Meanwhile, the team in Mexico has been with the firm for just one year, where the former Chadbourne group has been working on debt issuances and Uribe has done his first FIBRA transaction there. Time will tell as to whether the office will prove more cohesive than those of some other US firms that have been before them.

With the impact of Mexico’s sweeping energy reforms and Colombia’s ambitious 4G infrastructure programme starting to be felt, Double says that Holland & Knight is continuing to deepen its relationships with its Latin American offices. Holland & Knight is already discovering first-hand some of the benefits of strengthening horizontal ties and moving away from the traditional hub and spoke structure that can be seen among some firms with local offices. Otto says the Mexico City office is “super excited” about the development of the Colombia office and the depth of its energy expertise, which could prove valuable in Mexico as the energy sector opens to foreign investment. “One of our goals and our strategies in Mexico is to grow the energy practice, so for us the fact José Vicente has joined the Bogotá office with so much experience in the energy sector is great... We are integrating ourselves with that office,” he says. With reforms bringing an end to Mexico’s state monopoly in the energy sector and law firms in the country scrambling to secure energy expertise, Colombia’s long-standing knowledge base could provide a useful boon. Meanwhile, Holland & Knight’s Bogotá office could stand to benefit from Mexico’s links with the US through NAFTA and deep pool of cross-border expertise as provisions contained within Colombia’s FTA agreement take effect. If Holland & Knight’s rapidly growing headcount in the two offices is anything to go by, both investments may already be starting to pay dividends.