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## New hires position Winston & Strawn for post-pandemic

By Henrik Nilsson  
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With the addition of 18 lawyers in Los Angeles, international law firm Winston & Strawn LLP is equipping itself to tackle a looming pandemic hangover and shifting priorities under a new administration, the firm's leadership said in interviews.

The lawyers are moving to Winston Strawn from Scheper, Kim & Harris LLP and Sidley Austin LLP, focusing on white collar and complex commercial litigation and real estate issues.

With President Joseph Biden announcing there will be vaccines for every adult American by the end of May, the firm expects, among other things, court backlogs and increased scrutiny of corporate America when society starts to reopen.

When the Daily Journal interviewed some of the new partners on Wednesday, Thomas P. Fitzgerald, the chairman, said the firm tried 25 to 30 bench or jury trials a year before the pandemic. In the last six months they have tried two.

If the pandemic eases up, Fitzgerald is anticipating a backlog.

"I think that you're going to see in the latter half this year a very heavy docket in traditional cases, but also ... in securities aspects and medical issues that pervade that arena," Fitzgerald said. "It's a combination of what wasn't done and what's going to

be done this year in litigation. I think you're going to see a very heavy use of courts."

But there is also going to be an increase in financial market disruption litigation following turmoil in the stock and bond

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markets and in acquisitions, according to partner Michael H. Swartz.

People upset with acquisitions or disappointed in bond purchases are likely to file lawsuits, according to Swartz.

"All that litigation usually follows several months after the onset of the problem," Swartz said. "So, I think that litigation is probably immediately on the horizon."

Partner Angela M. Machala is expecting new securities and loan fraud cases and disputes involving the Paycheck Protection Program.

The U.S. Small Business Administration reported it had approved more than \$670 billion in loans from the money allocated to the program that was created last year to help small businesses stay afloat.

Lawsuits have already been filed, including one against Bank of America last year say-

ing it prioritized its own clients in distributing loans under the program.

In January, SlideBelts Inc., an internet retailer, and its CEO agreed to pay \$100,000 in combined damages and penal-

ties to resolve claims they lied to banks to receive \$350,000 in loans under the program.

But Winston & Strawn's priorities will also depend on who will be the next attorney general. Biden has nominated Merrick Garland for the post, but he has yet to be confirmed.

"That's something that in the white-collar world we all look to once there's a new A.G. because there are memos issued and different U.S. attorney's offices are given their directives of where they're going to concentrate enforcement," Machala said.

Partner David C. Scheper expects Biden will favor small shareholders more than large corporations.

"I'm excited to get in on the ground floor with the Winston team and to go to corporate clients and say, 'We need to flyspeck your compliance programs,'" Scheper said. "Be-

cause no compliance program is perfect. But you will be better served and better treated by your national government if you have at least noticed and preemptively struck in trying to make sure that your processes are as well oiled as humanly possible."

The firm also added three real estate partners who joined from Sidley Austin LLP.

According to Moody's, the credit rating firm, commercial real estate values are projected to decline 7.2% nationally, compared to pre-pandemic levels. Numbers from CoStar show that empty office space in Los Angeles increased by more than 25% in 2020. In San Francisco, unused office space increased by almost 75% last year.

When federal and state mortgage forbearance and foreclosure moratorium expire, the firm will be busy assisting clients who own property in dealing with tenants who aren't paying their leases, said partner Elizabeth W. Walker.

"I think you'll see a lot of firms and businesses pulling back and doing things remotely and downsizing," Walker said. "They will have leases that they are otherwise obligated to that they're going to try and get out of. I think that you're going to see a lot more real estate work-outs in the relatively near future once all these forbearances are out."

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