

CONSIDER CALIFORNIA

To underestimate California is to do so at your own risk. By numbers alone, it's a hard state to ignore. Its economy is the eighth largest in the world with an estimated gross state product (GSP) of \$1.85 trillion—an output equal to that of Italy or France. One in every eight Americans calls the Golden State home.

But it's not just the sheer numbers.

"California is an incubator for ideas," says Ann Marie Mortimer, managing partner of Hunton & Williams' Los Angeles office. "It's a creative and business epicenter for the nation and the world."

Despite its importance as a gateway to consumers worldwide, California, unfortunately, presents a challenge—and even a risk—to business. In many areas of law, such as environmental and employment, California regulations are stricter than even the toughest federal statutes. Not surprisingly, one of the main reasons Hunton & Williams opened an office in Los Angeles in 2006 and another in San Francisco in 2008 was to help clients navigate stringent California laws with lawyers on the ground who have practiced in the Golden State for many years.

"The legal and regulatory environment in California is different from anywhere else in the country, or the world for that matter," says Malcolm Weiss, a partner in the environment law group, who joined the firm in 2008. "Many established firms have tried to launch a California beachhead by importing lawyers from other states or buying groups. This just doesn't work. Hunton & Williams went the right route; it expanded into California by hiring partners with established business, who have practiced law in the state for 15 to 25 years."

Hunton & Williams' California offices have been successful because of the firm's strategic hires, and what each of those attorneys brought to the firm. They have the knowledge and contacts with regulators, courts, consultants, experts, peers and others that help ensure the very best representation of the firm's existing clients doing business in California.

Environment Law

"Nowhere is the importance of California experience more evident than when it comes to helping clients with the state's challenging environmental laws," says California partner Chris Amantea, who also joined Hunton & Williams in 2008. For example, California is aggressively developing and implementing regulations to reduce greenhouse gas emissions, unlike most states or the federal government. California also continues to pursue alternative energy mandates so that 33 percent of the state's power will be derived from renewable energy by 2020.

California is equally serious about enforcement of laws regarding chemicals and chemical waste. And, other areas of the country seem ready to take its lead in



this area. California's Green Chemistry Initiative (GCI), for example, will force companies, no matter where located in the United States, to re-think their manufacturing processes.

"The GCI attempts to drive companies away from relatively linear production models, ones which begin with raw materials and end with wastes, to circular ones that shift the focus to waste-prevention and product stewardship," says Weiss. "In essence, and depending on the outcome of various regulatory debates, GCI will likely fundamentally change the materials incorporated into products sold and used in California."

Employment Law

As with environmental regulation, California's employment laws are ratcheted up considerably from the federal

statutes. There are more employment cases based in California, and the terrain is littered with class actions.

"California presents the unique combination of a large population of employers and employees, an aggressive plaintiffs' bar, employee-friendly legislation that encourages stackable claims upon claims, and a liberal court system," says Laura Franze, a Los Angeles partner and co-chair of the firm's labor and employment practice group. "The advantage of having experienced class litigation counsel, as we do at Hunton & Williams, cannot be overstated. Very few attorneys in the United States have tried complex collective actions to jury verdict using representative proof. That experience can provide significant value and factor very favorably into settlement negotiations."

Complex Litigation and Regulatory Law

Complex litigation in California also has its minefields. There is more potential for liability in California because the laws are more consumer-based. There are pitfalls distinctive to California that need to be considered, and the Hunton & Williams litigators in Los Angeles and San Francisco know the lay of the land.

The regulatory environment in California will only get stricter, and that's why Hunton & Williams looks to local in-state attorneys to represent its clients doing business in California.

"California represents a bright future," says Mortimer. "The state is both a challenge and opportunity for the firm, and you have to take that challenge."

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