

## Pennsylvania Powerhouse: Reed Smith

By **Matt Fair**

*Law360, Philadelphia (October 2, 2017, 5:03 PM EDT)* -- Reed Smith LLP is capitalizing on its 140-year history in Pennsylvania to notch some major in-state achievements, both in the courtroom and boardroom, including representing F.N.B. Corp. in its \$1.4 billion acquisition of Yadkin Financial Corp. and securing a \$58 million verdict for Mine Safety Appliances Co. in a dispute over coverage for asbestos claims.

The Pittsburgh-based firm's continued successes in the state, which leaders said includes representation of many of the same core clients it took on after first opening its doors in the 1870s, earned Reed Smith a spot as one of Law360's five Pennsylvania Powerhouse firms this year.

For Ronald Francis Jr., the managing partner of Reed Smith's flagship office in Pittsburgh, the scope of the firm's history came into clear relief at a recent dinner in honor of its 140th anniversary.

"On the nametags of many of the guests were the names of clients that we had back at the founding," he said, pointing to such Pittsburgh mainstays as the Heinz and Mellon families, and companies like U.S. Steel. "It was great to see that kind of continuity where people who were with us 140 years ago are still with us."

Reed Smith opened its doors in Pittsburgh in 1877 with an eye towards representing what were some of the city's — and, indeed, the country's — biggest financial institutions and industrial operations.

As the clients grew both nationally and internationally over the years, Reed Smith followed suit.

"Other than New York City, Pennsylvania was and is one of the centers of finance and industry in the United States, and as our clients have expanded, we have expanded," Francis said. "That's what's driven a lot of that — as they've evolved, we've evolved."

The firm planted its flag in Philadelphia in the late 1970s as the result of a merger with the Philadelphia-based Townsend Elliott & Munson.

Leonard Bernstein, the managing partner of Reed Smith's office in Philadelphia, said that a critical mass



of health care institutions and pharmaceutical companies made the city an important part of the firm's growth strategy at the time.

"There's a tremendous amount of health care here and pharmaceuticals and it presented the opportunity to provide full coverage across the state in litigation and other arenas," he said. "Those were some of the reasons then — reasons that still exist today — and it's made us an extremely strong firm."

The firm currently boasts 368 attorneys across its two offices in Pennsylvania, with 237 in Pittsburgh and another 131 in Philadelphia.

Since expanding regionally throughout the late 1970s and 1980s, the firm has since experienced explosive growth with offices not only across the United States but also into locales such as London, Kazakhstan and China.

But even as the firm has expanded across the globe, it continues to rack up major achievements on its native soil in Pennsylvania.

On the corporate side, Reed Smith represented the Pennsylvania-based Joy Cone Co., the nation's largest maker of ice cream cones, in a \$400 million deal to acquire BoDeans Baking Group through an employee stock ownership plan.

In representing Mine Safety Appliances Co., the firm managed to convince an Allegheny County jury that North River Insurance Co. had breached its contractual duty by failing to provide coverage for asbestos claims under three policies issued in the early 1980s.

The jury in the case awarded MSA some \$10.9 million in October, which was compounded by a \$46.9 million award, including \$30 million in punitive damages, awarded by a judge following a bench trial on bad faith claims.

The firm says it's the largest insurance bad faith award in the state's history.

Other impressive litigation victories include its work for Uber Technologies Inc. as it fought a cease-and-desist order from a Philadelphia County judge barring the ride-sharing company from operating in the city as a result of its lack of authorization from local regulators.

Attorneys managed to secure an emergency appeal hearing before the state's Commonwealth Court the next day, the Friday before a holiday weekend, and managed to have the order thrown out that afternoon.

Reed Smith partner Carolyn Duronio said that technology companies like Uber, which has an office in Pittsburgh and has been using the city as a testing ground for its driverless cars, have been helping provide the firm with new opportunities to provide legal services.

"We really are at the forefront of a lot of what's happening with technology," she said of the city. "It's quiet. People think more about it in connection with Silicon Valley, but it's here."

She pointed to her work on behalf of Carnegie Mellon University to set up the so-called Advantage Robotics Manufacturing Institute, which received a \$80 million from the U.S. Department of Defense and \$173 million from other partner organizations to help it get off the ground in January.

"They're the brilliant minds," she said. "We're just helping them to get where they're going."

The energy industry, which historically served as a source of business for the firm in its early years thanks to the oilfields of western Pennsylvania, is also providing new opportunities thanks to the state's Marcellus Shale natural gas play.

The firm has represented a number of clients in the natural gas industry in matters ranging from permitting disputes with state environmental regulators to court battles over leasing terms and conditions.

Francis said he believed the natural gas industry would continue to drive growth for the legal industry in the years to come.

"The amount of gas in the ground is estimated to be able to supply along the lines of 75 to 100 years, at least, of the entire gas demand for the United States of America," Francis said. "There's going to be activity in that space and that activity needs lawyers, whether it's M&A or legal disputes between different parties."

Nor would the opportunities be limited solely to electricity production and other utilities, he said, pointing to a Royal Dutch Shell PLC unit's move to build a petrochemical facility in the state to process natural gas into feedstock for plastics manufacturing.

"I've had people tell me that the cost advance of plastics manufacturing in Pennsylvania is going to be so great because of the abundance of natural gas that it's going to overwhelm the advantage of low-cost labor that exists in Asia," Francis said. "There's no reason right now that western Pennsylvania won't be the plastics manufacturing capital of the world."

--Editing by Katherine Rautenberg.