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THE FIRMS

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Firm With No Associates Intends to Stay that Way

Posted by Brian Baxter

Boston-based boutique [Outside GC](#) was founded in 2002 as an alternative firm model for experienced former in-house lawyers. Since then the firm has grown steadily, launching a sister IP firm called Patent GC this month. But out-of-work associates need not apply.



"There will never be any associates," says Outside GC cofounder Bill Stone (at right), a veteran in-house lawyer at several tech companies and former partner at [Tonkon Torp](#). "We wanted to be innovative and avoid replicating the existing law firm structure."

Outside GC currently consists of two partner/owners--founders Stone and Jon Levitt--and 25 lawyers at the senior counsel level. All of the firm's lawyers have served either as a general counsel of a company or have at least a decade of combined law firm and in-house legal experience.

The firm's setup allows Outside GC to make lawyers available on demand to clients or to act as de facto general counsel to smaller companies that don't necessarily need a full-time in-house lawyer, Stone says. At the time of the firm's founding at the tail end of the tech bubble, Stone says many tech companies were luring senior associates from firms with stock options.

"Most of these lawyers didn't have enough legal work to do, so they started doing other things like business development and human resources," he says. "In our view that didn't make sense, but companies did it because it was more economical to have a lawyer sweeping the floors two-days-a-week than calling [Skadden](#) for everything."

Outside GC's model has allowed clients to contract out the role of in-house lawyers as needed. That kind of work, Stone says, has enabled the firm to pick up larger clients. The pace of new clients coming through the door quickened in 2008 and 2009, although some work by current clients did decrease. As some companies cut back on legal costs, Outside GC's low rates and flexibility (some lawyers work from home or on site with a client) helps the firm to keep expenses down.

Other firms with similar models to Outside GC include [Axiom Legal](#) and [Virtual Law Partners](#), whose visionary founder, [Craig Johnson](#), recently passed away.

Despite the surplus of legal talent on the market, Stone has no plans to hire out-of-work partners or associates.

"Unfortunately, we wouldn't be a good option for them, and we've received resumes from relatively senior partners at firms," he says. "When [Testa Hurwitz](#) exploded a few years ago up here, some really impressive people came to us. But we held the line if they didn't have the in-house experience we promise our clients."

While Stone's firm supports clients going through a temporary

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reduction in in-house staff--due to a leave of absence or extended sick or disability leave--Stone's has had no conversations with general counsel looking to dramatically downsize a legal department and outsource employees.

The bulk of Outside GC's work is on the transactional side, predominantly customer contracts, distribution agreements, and M&A and financing work for tech clients. (Outside GC caters primarily to the tech corridor in suburban Boston, but the firm also has three lawyers in New York.)

The demand for IP work--particularly important in the tech arena--led Stone and cofounder Levitt to recruit Peter Gordon to head Patent GC. Gordon, formerly of counsel with Fish & Richardson in Boston, previously served as director of IP at Tewksbury, Mass.-based video and audio production company Avid Technology.

Gordon didn't immediately respond to a request for comment.

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