

Kobre & Kim is the Latest Am Law 200 Firm to Launch in Shanghai

The firm says it is expanding its Asia practice into mainland China with unique, conflict-free offerings.

By Anna Zhang

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Kobre & Kim is opening an office in Shanghai—its first in mainland China.

The move is somewhat unusual, as other firms established a presence in China at least a decade ago or more. Several have even taken steps to reduce their presence in China recently.

But Kobre & Kim has waited until now to move to the mainland. Partner Shaun Wu, who has relocated from Hong Kong to lead the new, three-lawyer office, said this is the right time for the firm to do so, as it sees a niche opening in the market.

“Unlike many other international firms, we didn’t come to Shanghai following the firm’s institutional clients,” said Wu. “We are here to be what I call the first conflict-free disputes and investigations firm in Shanghai.”

Kobre & Kim is offering what Wu describes as two unique products in Shanghai: independent internal investigations for multinationals operating in China and dispute resolution for multijurisdictional joint venture disputes between Chinese and foreign parties.

Under the internal investigations offering, Kobre & Kim is able to step in during a China-related Foreign Corrupt Practices Act investigation when a client’s regular counsel has a conflict; it also represents audit committees and special committees of the board of directors. The firm gets referred to a case, Wu said,



Shaun Wu.

when the client needs a neutral, third-party, conflict-free expert of U.S. government investigations.

To oversee investigations in Shanghai, Kobre & Kim recently hired Wade Weems, a former U.S. Department of Justice trial attorney in the national security division. Weems has started at the firm’s Washington, D.C., office and will move to Shanghai in 2018.

The second product targets Chinese companies’ foreign joint ventures as they expand overseas. While the parties that form the joint ventures usually have regular panels of counsel, Wu said, there is a vacuum in representing the actual joint venture entities if disputes arise between the joint venture and the partners.

Kobre & Kim’s global reach also sets it apart.

According to Wu, the firm's offices in the United States, the British Virgin Islands, Cayman Islands and Hong Kong create a unique mix of jurisdictions that covers all the usual components in a Chinese business investing overseas.

Like Kobre & Kim's model in the United States, the China practice also relies heavily on referrals from other law firms. The firm is not looking to take on all disputes originated from China, but wants to focus primarily on cases in the projects and infrastructure, technology, media and telecommunications and financial services industries. These sectors tend to have a higher demand for legal services and therefore are more likely to generate conflicts of interest.

Founded in 2003 by former federal prosecutors Steven Kobre and Michael Kim in New York, the firm launched its first Asian office in Hong Kong in 2010, followed by a second office in Seoul two years ago. Wu said the firm has been preparing for a Shanghai launch for a long time because a large part of its Asian business is China-related.

"Our work requires us to be on the ground in mainland China," said Wu, who has been covering China from Hong Kong since joining the firm in 2012. "Hong Kong has a different legal system after all," he said. "And more importantly, the business culture is different."

Although Kobre & Kim does not practice Chinese law in Shanghai, it is still necessary for investigations lawyers to be familiar with the Chinese regulatory system, Wu explained. "If your investigations team don't have the understanding of Chinese business culture and regulations, you will miss a lot of things," he said.

Also relocating from Hong Kong along with Wu is associate Nan Wang. Wang, a Shanghai native, studied law at Shanghai's East China University of Political Science and Law before earning a J.D. from the University of Wisconsin Law School.

The New York-based litigation boutique received approval from the Chinese Ministry of Justice to open the office this fall—about a year after it first applied. Kobre & Kim's latest office joins Magic Circle firm Clifford Chance, and top Chinese firms JunHe and Fangda Partners, at Shanghai's newly renovated Grade-A office space HKRI Taikoo Hui on the upscale West Nanjing Road.

Not only is Kobre & Kim at least a decade later than most global firms in mainland China, it opened its Shanghai office at a time when several firms have either scaled back in China or exited entirely. Last year, New York's Cadwalader, Wickersham & Taft and Chicago's Winston & Strawn both closed their Beijing offices (Winston still has a Shanghai office). The year before, legacy Chadbourne & Parke and Fried, Frank, Harris, Shriver & Jacobson closed doors in Beijing and Shanghai, respectively.

This year, Kobre & Kim made its debut on the Am Law 200 list with \$101 million in revenue. But co-founder Kim told *The American Lawyer* earlier this year that growth was not something his firm actively pursued. The 27-partner firm reported \$1.93 million in profit per partner in 2016.

Kim, who splits his time between Seoul and New York, was closely involved in the opening of the Shanghai office. "China is a key part of our Asia business," said Kim, adding that the demand in the region for the firm's specialized products has been increasing.

Most partners saw Shanghai as a logical progression of what the firm has been doing in Hong Kong for the past seven years, since most of the firm's cases are cross-border in nature, Wu said.

"Everyone has a vested interest in what the Shanghai office brings in," he said.

Anna Zhang is based in Hong Kong, where she writes about the business of law and legal issues in Asia and Australia.