

Hatch & Parent to debut wine practice group

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To better serve Central Coast vintners and squeeze more business out of an increasingly complex industry, Santa Barbara law firm Hatch & Parent will soon form a growers-only practice group.

While many firms in the region count vintners as clients, Hatch & Parent is believed to be the first local firm to establish a wine industry practice group on the Central Coast. It hopes to have the group up and running by the end of 2003.

Though largely a marketing strategy and not a drastic change in philosophy or attorney make-up, the decision is another sign that law firms and consultants see vintners as lucrative clients.

And as growers' success becomes increasingly tied to understanding complex entitlement, water and sales laws, they might rely more heavily on the wine industry support group beginning to emerge in the Central Coast's wine country.

A Bay Area law firm that reached out to Napa Valley vintners eight years ago said the strategy has increased its wine practice revenue fivefold.

"The firm has a reputation for representing the wine industry," said Eric Berg, an attorney with Hatch & Parent who joined the firm three months ago. Berg will be a part of the wine industry group, along with Sarah Knecht, Graham Lyons, Susan Petrovich and Mindy Wolfe.

"Our thinking is that this will allow us to work better and smarter for our wine clients," Berg said. Practice areas of the wine group are likely to include land use, permitting, water law and the myriad laws pertaining to selling and shipping wine.

The announcement has been well-received

by the wine industry. "I think it's a great idea," to start a growers-only practice group, said Victoria LeBlanc, executive director of the Central Coast Wine Growers Association, based in Santa Maria. "The more people we have working to help the industry stay ahead of what is going on on regulation-wise in order to be able to troubleshoot, the better."

Hatch & Parent has done work for Kendall Jackson, Premiere Partners, which operates a large vineyard in Los Alamos, Rideau Vineyard and Foley Estates Vineyard & Winery.

Though the wine industry group will not take Hatch & Parent attorneys away from their current practice-specific groups, the firm hopes it will increase communication between attorneys in those different groups that have wine clients. In the past, each client was assigned according to his or her legal needs.

Under the new formation, vintners and other prospective wine industry clients will work with a specific cluster of attorneys for all their needs, instead of contacting a water attorney for water law, a trial lawyer for the courtroom and a land-use attorney for entitlement and planning efforts.

Hatch & Parent also wants to do more seminars on wine law topics to reach out to growers. It may partner with the Central Coast Wine Growers Association for such events.

LeBlanc sees the news as yet another sign the industry is becoming more complex and more mature. She said she has watched a vintner-support industry establish itself around Central Coast growers during the past few years. Consultants such as beverage compliance group Compli in Paso Robles and MNS Engineers' winery and estates office in Buellton have made clear

commitments to serving local growers, she said.

In 1995, law firm Farella Braun & Martel made a similar commitment. That is when the Bay Area business law and trial law firm established an office in St. Helena in the Napa Valley to handle all its wine clients.

Partner Dan Cohn said that the complexities of wine law make it a very different practice from a land-use and real estate perspective and requires a very specialized focus. Though Farella Braun has a land-use practice, Cohn said the firm needed a local focus and decided to open up a satellite office.

Cohn also said that opening the office was more critical to the firm's success than actually forming the group.

"Whether you call something a 'group' or not isn't significant," Cohn said. Instead, the firm's wine law experience and its ability to reach out to vintners make the difference, he said.

Farella Braun has 14 attorneys in its wine industry group and two that work out of its St. Helena office. The firm represents five of the six publicly traded wineries in California. It handled Robert Mondavi Wineries' initial public offering in 1993.

Though Farella Braun specializes in winery acquisitions and sales, it also handles construction claims, distribution rights, employment disputes, environmental claims and insurance coverage for its grower clients.

Currently, Cohn said the firm is working more with wineries to secure and renegotiate financing terms. "A lot of wineries expanded when times were good and now that times are down, they need to restructure," he said.