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## Joining the inner circle

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### **BRAZIL BLOG: Pedro Freitas, the new managing partner of Veirano Advogados, talks to Clare Bolton about why the firm is more than its Rio de Janeiro and project finance roots**

Brazil has a somewhat fluid description of its top-tier firms. The most often-used collective term is the 'Big Six', but even those boundaries are undefined, with no universally recognised or even constant membership. 'Magic Circle' is sometimes used, but always with determinedly-placed quote marks to show the clear difference between the London and Brazilian markets – not least that in the UK, you can find the names of the Magic Circle firms on Wikipedia. In Brazil, membership is in the eye of the beholder.

This fluidity both helps and hinders non-core members of Brazil's top tier – helps, because they can justifiably claim to be in the elite; and hinders because competitors can quibble and pick, leaving the question open sometimes for years after a firm has undeniably been assisting top-notch clients. This is the situation for **Veirano Advogados**, the firm founded by **Ronaldo Veirano** and partners as a spin-off from Baker & McKenzie 17 years ago. Now the eighth-largest firm in the country, the firm has long ago transcended its Rio de Janeiro roots, with five offices throughout the



country and with the São Paulo base now the same size as the Rio HQ. However, a number of other top firms – most often, those seated in São Paulo – still don't always recognise it as an equal.

**Pedro Aguiar de Freitas**, who from 1 February will be Veirano's new managing partner, unsurprisingly doesn't agree with any such downgrading of the firm's status. "I was a client of the firm for several years, and so obviously do not see it as second tier – so much so I decided to come here as a partner," says the former general counsel of Vale and Brasil Telecom. "I suppose for the term 'magic circle' a presence in the financial markets carries more weight: our capital markets practice is admittedly relatively new, but it is developing more and more, and you will see more of us." Strength in São Paulo is essential for any firm to be top tier, and that is naturally harder to achieve for a Rio firm. Freitas agrees that São Paulo is a focus for the firm's growth, but is clear that is down to need, not image: "There is a lot of demand in São Paulo. As a service provider, we have to look at demand – I see São Paulo growing more and more." He cites the agribusiness practice and the capital markets practice, launched in early 2011 with a lateral hire from Pinheiro Neto Advogados, **Carlos Alexandre Lobo**, as two strong growth areas in the country's financial hub. In terms of clients, Freitas estimates that 60 per cent are foreign, and agrees that the firm is very strong in mining, energy and infrastructure, as befits its Rio roots. However, "we have exposure in most areas of the economy, with a lot of pharmaceutical, banking and agribusiness clients also." Moreover, many São Paulo firms would give their eye teeth to have the kind of exposure Veirano can rely upon in natural resources and infrastructure, given those areas' growth potential in the Brazilian economy: as Freitas puts it, "Rio is having its best moment since the Portuguese king came..."

One other edge Veirano has over many of its rivals, whether Paulista or Carioca, is a settled and modern management structure. Without doubt founding partner Ronaldo Veirano still looms large over the firm – something Freitas says is "lucky" for the firm: "he's a reference for us, our Mr Pinheiro Neto" – with his son, Ricardo, running the show in São Paulo. But this is no family firm; voting rights within the partnership are one of the most equal in the country, and the board of directors has notable power and respect in the firm. The managing partner position is being handed over from **Carlos Souto**, the head of the Porto Alegre office, who had reached the limit allowed within the firm bylaws, of three terms of two years each.

Still, Freitas knows that "management is a continuous process. The main issue as a manager is to perceive how the market will develop, and adapt your policies to world and to the market – if you ignore those developments, you fail." Managing lawyers demands a "constant and permanent dialogue," he says. "You have to consult [the other lawyers] on strategy, and have them help you implement it. And the moment you think you are done, you are dead. It's like a plant – you have to water it every day."

Although Freitas has only been in law firms since joining Veirano in early 2009, management is nothing new for him. He was a senior member of the team founding Odebrecht's strong in-house department, at the time a revolutionary concept in Brazil, and moved to Brasil Telecom at the time of privatisation, overseeing the process of 10 companies merging into one. On his watch, Vale turned from the seventh largest miner in the world, with a turnover of US\$7 billion, to the second largest, with income of US\$70 billion. "For none of these processes did we have a model or a textbook to follow, we had to design and manage the teams ourselves," he says. "Being a managing partner of a firm is of course different, but the history is there, and I can continue learning."

As with any Brazilian firm, one of the challenges facing Veirano Advogados over coming years is the growing focus of international firms on Brazil, within a complex regulatory environment. Ronaldo Veirano has made no secret of his belief that the Brazilian market should be more open than it is today, although the firm currently remains independent. It does have an association with Canadian firm Macleod Dixon, which recently merged with Norton Rose LLP, a firm known to be seriously considering opening in Brazil; would Veirano consider carrying on its association if it does? "It is

very early to say,” says Freitas. “We were not part of the [merger] discussions, as our association with Macleod Dixon is OAB registered but is more of a friendship. Norton Rose is a good firm and we value our relationship with them, but we also value our independence. We’ll see – there are no discussions happening right now.”

Indeed, dramatic change does not seem to be part of Freitas’s game plan in any aspect of his new post: “my goals are; to keep getting better and better; to understand and anticipate legal needs; and to continue to work with existing partners and clients to provide the best service. As a service provider, to serve your clients well is the best goal.” What are the challenges? “Brazil is growing, but growing in complexity too: the challenge is to keep integrated and stick to the business plan.”

A steady hand on the tiller should help the firm to continue to grow and develop in Brazil, both in its home market and the financial hub. Whether it will be enough to convince the São Paulo naysayers in the Big Six is another matter – but that may not bother Freitas that much.