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Paul ‘Chip’ L. Lion III Receives Business Law Section’s 2020 Lifetime Achievement Award

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Paul ‘Chip’ L. Lion III

The Business Law Section is pleased to announce that Paul (“Chip”) L. Lion III will receive the Business Law Section’s 2020 Lifetime Achievement Award. This prestigious award is annually presented to a California lawyer “who over an extended period has made significant contributions to the Section or business law generally, or both, in the State of California and who has achieved high status in the legal community.” Chip joins an impressive list of California business attorneys and legal scholars who have received this recognition. For those who know Chip, receipt of this award will not be a surprise. For those who don’t, once you finish this article, you will understand why he is most deserving of this award.

Background

Chip’s family and his deep roots in the San Francisco south bay area have indelibly influenced his commitment to his profession. Chip was born and raised in San Jose. His family connections to early San Jose and California history reach back five

generations. On his father’s side, his great, great grandfather, Lazard Lion (pronounced “Lee own”), emigrated from the Alsace-Lorraine region of France and in 1856 opened a furniture store in downtown San Jose. Chip’s paternal great, great grandmother was also from a California pioneer family, of Irish and German ancestry. His ancestors include Charles J. Martin, who served as mayor of San Jose twice, in 1882-1884 and 1898-1902, and Victor Scheller, who served as the District Attorney of San Jose from 1891-1894.

By 1906, L. Lion and Sons Company, the furniture store started by Lazard Lion, had grown to be the largest furniture store west of the Mississippi River. It ultimately grew to four furniture and merchandise stores in the San Francisco south bay and Salinas. In 1967, Chip’s father (Paul L. Lion Jr.), who was the president, sold the company and went on to serve in various management roles at Bank of America and Bank of the West. His mother, Marty, was the daughter of an engineer and attended Carnegie Tech, now Carnegie

Mellon University. Together they raised four children, Chip, Steve, Alexandra, and Christopher, in San Jose. Both of Chip's parents were actively involved in leadership roles in local non-profit organizations and instilled in their children a sense of duty to give back to their communities and professions. His parents' sense of duty to the community strongly influenced Chip and underlies his effort to instill a similar commitment in the next generation of attorneys.

Chip was a fraternal twin, born eight minutes before his brother Steve. Sadly, Steve died two years ago from pancreatic cancer. Steve and Chip were very close. They worked summer jobs together, shared the same friends, and even belonged to the same national fraternity, although at different schools. By Chip's own admission, Steve was bigger, stronger, and more outgoing, while Chip was more reserved and bookish. Chip credits Steve for helping him develop his social skills by allowing Chip to ride his social coattails as they grew up. Anyone who knows Chip today would have great difficulty envisioning Chip being shy or reserved.

After high school, Chip attended the University of California at Davis, where in 1979 he received a B.A. degree with honors in Political Science and was elected to Phi Beta Kappa. While at Davis, he played varsity soccer for three years, as well as lacrosse at the club level. Chip attended law school at Santa Clara University, where he graduated magna cum laude in 1982. In addition, Chip served as the Associate Editor of the Santa Clara Law Review and was the Vice Chairman of the Honors Moot Court Board. In 2015, Chip received the Alumni Special Achievement Award from the law school.

Chip attended law school with the goal of becoming a transactional attorney, focusing in business law. Because most business transactions have underlying tax considerations, Chip took several tax courses while in law school and discovered that he enjoyed the intellectual challenge of tax law. To further develop his tax skills, Chip attended New York University, where he received his LL.M in taxation in 1983.

While in his second year of law school, Chip met his wife, Mary Cunneen, who was in her senior year at Santa Clara. Although Chip's and Mary's parents knew

each other, Chip had never met Mary. His introduction came about when Mary's father, who had played lacrosse at the U.S. Naval Academy, invited Chip to come to his house for an organizational meeting to help create a lacrosse club team at Santa Clara University. There, Chip met Mary. They started dating, and were married in 1983.

After graduating from Santa Clara, Mary went to work at the headquarters of Hewlett-Packard in Palo Alto. While at HP, Mary started in the MBA evening program at Santa Clara, but then left HP to have their first child, Paul L. Lion IV, known as "CJ." Two years later, a daughter, Moira, was born. Mary received her MBA while pregnant with her third child, Ryan. While busy raising three children, Mary found time to be actively involved in political campaigns, including the campaigns of her brother, Jim Cunneen, who served in the California State Assembly for six years.

Chip's greatest joy has been to see his children grow to become responsible, intellectually curious, and compassionate young adults. CJ received his B.A. and Medical Degrees from Georgetown University. He was recently picked by the faculty and his peers to be the Chief Resident of Anesthesiology at Georgetown. Moira received her B.A. from the University of Southern California. She then attended Loyola Law School, where she served as the Chief Justice of the Moot Court Board, graduating with Intellectual Property Law Concentration honors. Moira is now practicing trademark law at a prominent Silicon Valley law firm. Ryan received his B.A. from Notre Dame University, a Master of Science Degree in Public Health from Duke University, and his Medical Degree from Georgetown. He has gone to Africa to conduct health and medical research on five separate occasions and is currently serving his pediatrics residency at Lucile Packard Children's Hospital Stanford.

Legal Practice

After receiving his LL.M in tax from NYU, Chip joined Hopkins & Carley, a well-regarded mid-size San Jose law firm. At first, he primarily worked for John Hopkins, a prominent tax attorney and firm founder. Over the next decade, he increasingly did general corporate and transactional work, often with corporate partner, Michael Phillips, who focused on

emerging company/venture capital work. Chip made partner after four years and served as one of the law firm's managing partners.

During Chip's time at H&C, the high-tech industry underwent explosive growth in Silicon Valley. At the same time many of the major San Francisco law firms, as well as a number of national law firms, began to open offices in Silicon Valley--particularly north of San Jose, in and around the City of Palo Alto--to provide legal services to the high tech industry. Several home-based Palo Alto firms were also experiencing substantial growth, providing a broad range of legal services to the technology community.

Chip enjoyed working at H&C, and particularly appreciated the mentoring he received from John Hopkins. He also had a strong attachment to San Jose, where his family had roots in the business community going back to the 1850s. Nevertheless, Chip felt that a greater opportunity to fully develop his legal skills and grow his practice lay with a law firm more concentrated in high tech work and having an international reach.

After much reflection, Chip made one of the most difficult decisions he had ever made and accepted a partnership offer from Morrison & Foerster LLP to join its corporate practice group in Palo Alto. Chip was attracted to M&F by not only its outstanding legal reputation, client base, and capabilities, but also its reputation for pro bono work, involvement in community affairs, collaborative culture, and commitment to the profession. Since joining M&F in 1995, Chip has served in a number of management roles, including Co-Chair of the firm-wide Private Funds Group and Chair of the Corporate Finance Group in Palo Alto, as well as a member of the firm-wide Compensation Committee and chair of the firm-wide Chair Selection Committee. Chip also has been an active mentor and teacher to junior attorneys at M&F, where many lawyers attribute their professional growth and career success to Chip's efforts and guidance.

Although he began his career with a focus on tax matters, Chip's legal practice steadily moved toward transactional work. In 25 years of practice at M&F, Chip has represented public and private companies on corporate governance matters and in a broad range of industries and business sectors, including

biotechnology, medical devices, finance, real estate, and information technology. In the course of working in these areas, Chip frequently deals with issues involving corporate, limited liability company, and limited partnership law, state and federal securities law (Securities Act of 1933, Securities Exchange Act of 1934, and the Investment Adviser Act of 1940), as well as federal and state tax issues, money laundering regulations, privacy act issues, and cross border compliance.

While Chip continues to manage a "traditional" Silicon Valley corporate practice representing emerging growth companies and advising on M&A liquidity events, today the bulk of Chip's time involves working with venture capital, private equity, and pooled investment fund sponsors. As co-chair of M&F's Private Funds Group, he advises institutional investors and fund sponsors on a range of legal and business issues, including the formation and operation of, and investments involving, venture capital funds, leveraged buyout funds, private equity funds, and real estate funds. In addition, he advises Fortune 500 companies, as well as other businesses, on the structure and implementation of corporate venture capital programs and how to monitor and measure their performance.

During the course of his career, Chip has been involved in several significant developments in corporate and securities law. A noteworthy example involves his representation of Secondmarket, Inc., a newly organized start-up company that was created to provide liquidity to shareholders who held shares in non-public companies. Beginning in 2009, Chip worked with Secondmarket to create a platform for shareholders who owned stock in private companies to sell their securities in the secondary market. The process of creating this trading platform not only produced a number of federal and state securities law compliance mine fields to be navigated, but also unique business issues, such as the concern, frequently expressed by companies, that their shares might be sold to competitors or buyers not actively involved in the company. To address this concern, Chip and his team crafted a range of transfer and buy/sell provisions to include in corporate charters, while being mindful to

not cause an unreasonable restraint on the alienation of securities under Delaware corporate law. In recognition of the significance of this new trading platform, Chip was asked to present a white paper to the Northwestern Law Executive and Professional Education Annual Securities Regulation Institute on the legal issues surrounding secondary markets.

Professional Activities

Chip has had a long and distinguished career in outside professional activities. During the course of his career, he has served as an adjunct tax law professor, lectured extensively on a wide range of corporate and finance matters, written numerous business law articles, served as editor-in-chief of the most prominent business law review in the United States, provided testimony on proposed legislation, and served on several committees drafting and reviewing proposed legislation. Chip also has held leadership roles in the California State Bar Business Law Section and the American Bar Association, where he served in a series of leadership positions, culminating in his serving as chair of the ABA Business Law Section in 2014-2015.

In addition to his active involvement and leadership roles in state and federal bar committees, Chip has authored or co-authored over 35 legal publications and been a frequent speaker for the ABA, ALI, California State Bar, UC Berkeley, PLI, CEB, and other business law program sponsors. He also has been active in internal legal education programs at M&F.

Chip's teaching, writing, and lecturing efforts began soon after he graduated from the NYU tax program. From 1984-1990, he taught a series of tax courses as an adjunct law professor at Santa Clara University School of Law. During this period, Chip began to frequently speak and write for the California Continuing Education of the Bar on limited partnership and limited liability company matters. In 1990, Chip was named the vice-chair of the California State Bar Business Law Section Partnerships Committee, and the year after that he was appointed chair of the committee.

While serving as the chair of the Partnerships Committee in 1991-1992, Chip organized a committee to draft limited liability company legislation for California. He appointed Bob Sullivan of Pillsbury, Madison & Sutro to serve as chair of the drafting

committee, who then tapped Don Hess, an associate at his firm, to serve as the reporter. The ultimate result of the drafting committee's effort was the 1994 passage of the California Limited Liability Company Act. Chip still has one of two original copies of the Act that were signed by Governor Pete Wilson. Chip also served as an advisor to the National Conference of Commissioners on Uniform State Laws/Uniform Law Commission, and was a member of drafting committees that drafted the Revised Uniform Partnership Act, the Revised Uniform Limited Liability Company Act (which became the basis for the California Revised Uniform Limited Liability Company Act), and the Model Entity Transactions Act of 2007.

Chip's introduction to the ABA Business Law Section occurred when he was invited to serve as an inaugural member of the editorial board of the section's new monthly magazine, **Business Law Today**. The editorial board had many legal luminaries, including the editor-in-chief, Herb Wander, who went on to become chair of the section, and Norm Veasey, who was the chief justice of the Delaware Supreme Court and later served as chair of the section. Although he was the youngest member of editorial board, Chip remembers that his views were sought out and his involvement encouraged. Ultimately, Chip went on to serve a one-year term, from 2011-2012, as the editor-in-chief of the **Business Law Today**.

Morrison & Foerster has a long tradition of encouraging its attorneys to participate and take leadership roles in professional organizations at both the state and national level. In 1977, M&F partner Carl Leonard became the first chair of the newly formed California State Bar Business Law Section ("BLS"). Subsequently, M&F partners Roland Brandel and Suzanne Graeser served as chairs of the California State Bar BLS. Marshall Small, Roland Brandel, and Bruce Alan Mann are past recipients of this section's Lifetime Achievement Award. Former managing partner, Bob Raven, served as president of the California State Bar in 1981 and of the ABA in 1988. John Austin and Dave Nelson were past chairs of the ABA Business Law Section. Many M&F partners, including Marshall Small, Bruce Alan Mann, David Lynn, and Roland

Brandel, have also had prominent roles in a number of the ABA Business Law Section committees.

Although he was an active member of the ABA Business Law Section LLC and Partnership Committee, Chip's first involvement in a leadership role in the ABA Business Law Section occurred in 2000, when Bruce Alan Mann asked Chip to help him in the newly-formed Venture Capital Committee (now known as the Private Equity and Venture Capital Committee). After Bruce's term expired, Chip became the chair of the committee, from 2003-2006. After completing his term, Chip was appointed as a member of the Council of the Business Law Section for five years and served for three years as the Chair of the Council's Finance Committee. Next, Chip went on to serve one-year terms as the Secretary, Vice-Chair, Chair Elect, and finally, Chair of the ABA Business Law Section in 2014-2015. Chip continues to serve the Business Law Section as one of the section's four representatives to the House of Delegates, the policy making body of the ABA, and regularly attends (now virtually) annual and committee meetings to continue to provide advice and support to the ABA community.

Chip believes that one of his most important accomplishments while serving in various leadership roles in the ABA Business Law Section was strengthening its 50 substantive and 20 administrative committees and recruiting young and diverse lawyers to the section. In the course of his service, Chip appointed incoming chairs to approximately 31 committees. He told each incoming chair that their first job was to find a successor, for without strong leadership, the committee would eventually flounder.

Acknowledgement of People Who Influenced His Career

Chip is often asked how he became chair of the ABA Business Law Section. He says a lot of it was serendipity and "just showing up," but if he had to point to one event and one person, he likes telling the story of a fateful evening in 1989 when he was a panelist on the CEB program "Organizing & Advising Partnerships." The moderator of the program (and one of the co-authors of this article, John Murphy), who was then serving as the Chair of the California State Bar Business Law Section, questioned Chip as to

why he was not involved in the section's Partnerships Committee and strongly encouraged him to join. Because of that challenge, Chip joined the committee and within two years became its chair. That led to his leadership role in drafting California's first LLC legislation, which led to his work with many prominent members of the LLC and Partnership bar and becoming active in the ABA Business Law Section's LLC and Partnership Committee, followed by leadership in the Venture Capital Committee and involvement in various executive committee roles that ultimately lead to his becoming chair of the ABA Business Law Section.

When asked who played an important role in his legal career, Chip identifies Morrison & Forester partners Bill Sherman, Marshall Small, and Bruce Mann, noting that they were generous with their time and advice on legal issues, client service, and development. They also taught him the importance of sharing the spotlight and helping new attorneys in their professional development. He also identified two other attorneys that had a profound influence on both his personal and professional development. One was Mike Phillips, a prominent corporate lawyer he worked with at Hopkins & Carley, and later at M&F, who was well known for his sound, practical advice. The other person Chip credited was John Hopkins of Hopkins & Carley, a brilliant tax attorney and consummate professional who was always considerate of others. He not only taught Chip important lawyering skills, but he also taught Chip how to be a better person and, like Chip's parents, to treat everyone in a respectful manner.

Congratulations, Chip, and, on behalf of the Business Law Section, we thank you for all you have done for the business and legal community in the State of California.

** A. John Murphy (Murphy & Weiner) and Suzanne Graeser (Morrison & Foerster) served as chairs of the California State Bar Business Law Section in 1989-1990 and 2004-2005, respectively.*