

Longtime BigLaw Vet Launches NYC Derivatives Boutique

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By **Rachel Rippetoe** | 2023-03-15 15:39:10 -0400 · [Listen to article](#)

A former Paul Hastings LLP partner has left after two decades in BigLaw to launch her own derivatives boutique, her firm announced this week.

Joyce Sophia Xu, who founded and led the global derivatives practices at both Paul Hastings and Simpson Thacher & Bartlett LLP, announced Wednesday that she has formally launched Joyce Xu Law LLC, a New York City-based boutique focused on advising clients on "navigating the complex world of derivatives."

Having run two BigLaw practice groups, Xu told Law360 Pulse that she realized striking out on her own would offer her the independence to pursue the kind of practice she had always envisioned for herself.



Joyce Xu

"I have all these ideas and all this energy," Xu said. "And I just realized I can take my practice where I want to take it without having to follow the leadership at these big law firms, who may have very different priorities from what I think is important."

With Joyce Xu Law, Xu said that she will get the chance to create a new kind of environment for her clients and for the attorneys she hopes to bring on.

The firm will operate fully remotely, which Xu said gives her the opportunity to work with talent from all over the world. She said she has already begun working with legal staff on a contract basis and is looking to make full-time hires as she builds on her book of business.

Xu said her goal is to "build an exceptional legal services firm" for clients ranging from financial institutions to multinational corporations. The firm will offer transactional services including structuring and the execution of derivatives, as well as regulatory and compliance advice.

"I definitely see it being a firm that has a number of anchoring senior lawyers who have their own clients and their own practices, and we're working together to build the firm and leading teams of more junior lawyers," Xu said. "So we'll see how things go."

Opening her own firm felt especially appealing because her practice is so niche, Xu said, adding that she can fill an important gap in the marketplace without having to convince a BigLaw firm that she's worth investing in.

"Derivatives, it's already a very niche area of the financial world. And then derivatives lawyers, we're an even rarer breed," Xu said. "I didn't want to have to waste my energy trying to convince people who don't really know what I do to buy into my vision and my business plan."

Xu began her career as an associate at Davis Polk & Wardwell LLP in 2000 after graduating from Columbia Law School. She spent seven years at the firm before moving to Simpson Thacher, where she founded and ran the derivatives practice group.

The firm had been looking for someone who could get a derivatives practice started for over a decade, but hadn't found a lawyer willing to take on the task until she came along, Xu said.

The prospect of building a new practice might be daunting for some, but not for her.

"For me, it was kind of a no-brainer," Xu said. "Maybe because I'm an immigrant, I have this immigrant mentality. If there's this opportunity there for you to grow something, what's the downside?"

Xu said she enjoyed running the practice and making it profitable, but after a decade of working within BigLaw infrastructure, she felt limited.

"I found it more and more difficult to try to grow my practice within the confines of that, especially after the law firm started to shift away from lockstep compensation," she said. "There was just more internal politics and lawyers becoming, unfortunately, more focused on being protective of their own client relationships and less focused on how to support and grow other practices."

So in 2019, Xu moved to Paul Hastings. Although it's still a BigLaw firm, it was founded in California, where the legal industry environment seemed a bit more entrepreneurial, Xu said. She started a derivatives practice at the firm while also establishing and running its global London Interbank Offered Rate transition task force, helping clients transition away from the key benchmark rate, which is used for loans and other financial instruments.

Things were going well, but then the COVID-19 pandemic hit. As Xu worked remotely for several years, she began to reevaluate her career goals, she said.

She officially left the firm in November, and has been working for the past several months to build the infrastructure of her new law firm, setting up computer systems and documentation systems and making connections with other lawyers.

She said that since she announced her launch, clients have already begun reaching out.

"I don't know of any boutique derivatives law firm that has been started by someone who has had this many years of experience in BigLaw and has my book of business," Xu said.

And this current moment in the financial markets marks a crucial time to jump-start her practice, Xu said.

"It's like, 'Oh, you're you're doing this just when the markets are crashing and all these banks are under stress. Is this a good time?'" Xu said. "And my answer is, I think it's the perfect time. My derivatives practice group was probably the busiest, along with the bankruptcy practice, during the financial crisis in 2008."

Xu said she is also looking forward to creating a happy working environment and making her own rules as an employer. She said she's looking into different kind of compensation models and benefits that could help women in particular.

"I don't know if I'm going to sound too idealistic, but I always thought the practice of law should be fun and fulfilling," she said. "I want to shine a spotlight on the theme of happiness and job satisfaction. We're building a home for happy clients and happy lawyers."

--Editing by Alanna Weissman.

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