David J. Charles

Patience and Perseverance

Attorney David J. Charles credits his success in business law and life to appreciating the value of patience and perseverance.

He still remembers a morning when the alarm went off at 4:30 AM, waking David from a deep sleep. He could hear his father and brother stirring in the dark on that early June morning in 1976, getting ready for their first fishing trip on Lake Michigan aboard the *Al-Dav-Aar*. The *Al-Dav-Aar*.

Aar, named for his father, Allan, and for David and his brother, Aaron, was a 26-foot SwiftCraft motor boat. By 5:15 AM, they were headed out of Jackson Park Harbor on Chicago's south side, just a few blocks from their home, in search of coho salmon. David had heard his father talk many, many times about fishing on the lake and the exhilaration of catching salmon. His father emphasized that patience was the key, that the sport was called "fishing" and not "catching" for a reason.

On that day, and on many subsequent weekends over the next decade, they would be trolling for salmon in water ranging from 100 to 200 feet deep. Using downriggers, cannonball weights, and spring loading clips, they would set their lines to a depth of 50 to 90 feet, depending on the conditions. By 6:15 a.m., they reached the fishing grounds. "Boys, we're here!" David's dad exclaimed. "You can tell we're in a good spot because of the other boats around. You see, over there, that's the Happy Hooker and the other one over there, that's Wahoo Too. Those guys are the pros, so there must be fish around." David and his brother moved purposefully at their father's direction, connecting various combinations of colorful dodgers and flies to four different rods and reels. They clipped each line to a different downrigger and, while one boy lowered the cannonball to a specific depth, the other boy released line from the rod. This was a tricky step that required the boys to coordinate with each other to ensure the downrigger and reel spooled

out smoothly. If they weren't careful, and allowed the reel to spool line out too quickly, they would end up with a tangled mess, or "bird's nest," in the reel. Despite their best efforts, being kids, they dealt with more than a few of those over the years. But not on that first trip. David and his brother set the lines perfectly. They tightened the line on each reel until the rods were bowed over with tips facing the water. "That's it boys. Well done. Now

we wait. Be patient and keep your eyes on those rod tips. If a salmon strikes one of the lures, that tip will go straight up and then start dancing. You have to get to the rod quickly and give it a firm pull to set the hook. Once you have a rod in your hands with a fish on, you have to keep the rod tip up and reel in steadily. If the fish is big, you may need to drop the rod tip, reeling in quickly as you do, and then pull the rod tip back up." It was just before 7:00 AM and the

sun was beginning to climb above the horizon.

David and his brother were patient that day. They watched the rods like hawks, only distracted at times by the chatter from the ship-toshore radio. Several boats in their general area were bragging about catching lots of fish. Each time they heard the reports, David and Aaron looked toward the boats dotting the horizon. They could see bent rods jerking up and down and silver flashes behind the boats as young coho salmon took flight in an effort to break free. There was a lot of action, but nothing going on for the Al-Dav-Aar. The hours passed and finally Dad told them it was time to pack things up. They would try to catch their first fish another day. David popped the first line off of its downrigger and began to reel it in. He felt something pull on the end of it and instinctively velled "fish on!" His heart pounded as he reeled quickly. "Keep that tip up, David! Aaron, get the net." A few minutes later, they landed their first coho salmon - a shiny

5-pounder. David was so pleased with the catch—
"How lucky was that! Hooking a fish while reeling in the lure at the end of the day!"

Aaron grabbed the second pole and started reeling it in. "Fish on, fish on" he yelled! This time, David netted the fish. Another shiny 5-pounder. The boys smiled at each other and their dad, shocked at their great fortune in the waning moments of their fishing trip. David and Aaron proceeded to reel in the last two rods and, to their amazement, each one had a fish on it. At that point, it became clear to their father what had happened. The boys had set the clips on the downriggers too tight. They had, no doubt, been dragging the fish around for hours. Lesson learned: you have to be patient, but you also have to check your lines periodically, when fishing.

David learned the value of perserverance early on in high school.

A few weeks before entering Kenwood Academy in Chicago's Hyde Park neighborhood, David had one of his life's most memorable encounters behind a McDonald's restaurant near the school. He and a friend had just grabbed some burgers and fries and jumped the wall at the back of the McDonald's parking lot to take a shortcut to his friend's house. But when they landed in the alleyway behind McDonald's, they realized they were not alone. Waiting for them was a group of guys who weren't too friendly. In fact, one of the boys told David in unmistakable terms that if they didn't hand over the food they'd just purchased, David and his friend would face a beating. They surrendered their burgers and fries, and the gang moved off, leaving David and his buddy unscathed, though still hungry. "Those guys are pretty notorious around here," David's friend told him as they headed home after the ordeal. "It was a good thing we didn't try to fight or run."

Imagine David's surprise when, scant weeks later, sitting in his homeroom at Kenwood, he realized that the boy seated behind him was one of the guys from the alley. "The teacher called the roll, and one of the guys who snatched my McDonald's answered—he was sitting right behind me!" David says, laughing. "I was wondering, 'What kind of world is this?'" But over the course of the year, David actually developed a good relationship with the boy, who eventually apologized for taking his food. "I never had a problem in high school," David says. "In fact, one time, my 'bodyguard' came up to me after home

room and said, 'Hey, David, I know you always bring your camera to school to shoot pictures for the school paper... some of my boys want to take it. I told them I couldn't be involved.... you should probably use a different exit when you go home today, okay?'" David learned from these interactions that everything in life isn't safe, and that you have to pay attention to your surroundings. But most importantly, he learned the value of building relationships with many different types of people, and of learning how to persevere.

David took those skills, along with many other aptitudes and interests that he developed during his education, and parleyed them into a successful legal career, specializing in business and corporate matters. In explaining his principal motivation for doing what he does, he says, "I really enjoy learning about my clients' businesses, working with my clients to develop strategies that align with their goals, and helping them solve their legal and business problems. Quite often, my work involves negotiating terms and conditions for commercial agreements, and working with different personalities to structure arrangements that balance many competing interests. I find that very engaging, challenging, and rewarding." David is a partner at Rees, Broome, PC, where his practice focuses on business formation, mergers and acquisitions, and other areas of corporate law. Reflecting his deep commitment to "results-driven engagement" for his clients, David, who is admitted to the bar in Virginia and the District of Columbia, has been named to "Best Lawyers in America" for mergers and acquisitions (2015, 2016, 2017) "Best Lawyers in the DC Metro Area" (US News and World Report, 2017), and most recently "Washington, DC, Best Lawyers" (Best Lawyers regional edition, 2018). After graduating with honors from the Georgetown University Law Center, David clerked for a judge on the Court of Federal Claims, a court with jurisdiction over cases damages brought against the federal including tax disputes government, government contract actions. In doing this and during his early days at his first law firm, he discovered that he had some interest in litigation.

"The first case I ever litigated before a judge was a political asylum petition. Our client was a young, religious man from Zaire. While Zaire was a very dangerous and repressive place under its former ruler, Mobutu, very few, if any,

people from Zaire were granted political asylum at that time. After spending a lot of time with my client, and hearing his stories about life in Africa, I was convinced that he could be jailed or even killed if he returned to Zaire. I believed my client's fear was real, and I conveyed that fear to the judge, eventually winning the case. It was an amazing feeling to hear the judge award Antoine political asylum." David tells a very different story about another side of litigation, when he was working on a response to a document request from the Securities and Exchange Commission connection with a pending investigation of one of the firm's clients. David says that he recalls going through hundreds of documents provided by the client, analyzing each one for the purpose of determining which ones had to be disclosed and which ones could be withheld according to a plausible legal argument. "It was a very foreign concept to me to spend so much time and effort to avoid or delay bringing a matter to a successful resolution. It's a very defensive mentality in big firm litigation; if you're building anything, it's usually a wall."

It was at this point, he says, that he recognized the very different orientations and personalities within the legal profession. Realizing that corporate law was more about understanding your client's operations, goals and objectives, as well as the interests of the other parties in the transactions, David says that the idea of working with clients to help them conduct business was very appealing to him. David's interest and orientation toward solving problems and bridging gaps has enabled him to build one of the most respected practices in the Washington, DC, area.

Establishing connections with a wide variety of personality types is a skill that David began developing early in life, growing up on the south side of Chicago in the late 1970s and early 1980s. In this period before the internet and smart devices provided 24/7 connection, David and his friends, like other kids growing up during this time, had to make a considered investment in time spent together. "I had such great friends, many of whom I'm still in touch with. We used to call it 'make fun.' We'd tell our parents where we were going - to the gym, to somebody's house, to a local park for a game of pickup football -- and we'd be out there for hours, figuring out what to do and where to go. It was a different sort of time than what I see with my own children, who have these devices that give them access to anybody and pretty much anything, at any time of the day or night, requiring no more than the click of a button or the swipe of a finger. They need to learn how to make investments in their experiences. As a father, I am always looking for ways to teach our children the value of making a commitment and following through on it."

David's father was a successful obstetrician in Chicago, and his mother was trained as a nurse. "To this day, when I meet someone from my old neighborhood and they learn my name, they'll often say, 'Charles ... was your dad an obstetrician? I think he delivered me!" Reflecting on the values he learned at home, David says, "For my mom and dad, it was never as important what we did, specifically, as it was that we did our best at whatever we did. They encouraged us to explore the things that we were interested in; they didn't force us into any particular model." For David, this contributed to a focus on being prepared: whether for a test at school, for a swim meet, or for a career in law. He reports that his parents were very accepting people, rather than judging them on appearances, background, or other factors extraneous to character and effort.

Accepted as a sophomore into Johns five-year BA/MA Hopkins' program international relations, David spent three years on the main campus in Baltimore and his final two years at the Paul H. Nitze School of Advanced International Studies (SAIS) in Washington, DC. Graduating with both a bachelor's and master's degree in international relations, David initially went to work in the International Business Division in the office of the Governor of Illinois. There, his focus was on promoting his home state as a target for direct foreign investment and companies encouraging Illinois to opportunities to export their goods. After a year there, he returned to Washington, DC, and entered law school at Georgetown. "I was always fascinated by the law, so I just knew I had to study it."

During law school, David gained a broad fund of experience as a legal research and writing instructor, an editor on the law review, competing on the national trial team, and clerking for various law firms during the summers. He also highly values the year he spent following graduation, working with Judge Lawrence S. Margolis on the

U.S. Court of Federal Claims. "When you work for a judge on a court, you really get to see how the judge handles matters. It became clear to me that Judge Margolis's perspective was that parties should work hard to settle their disputes. Going all the way to the end of litigation and having the outcome depend on the decision of a judge or a jury is sub-optimal. So, his approach was to encourage the parties to settle their disputes. He would spend a lot of time essentially mediating discerning what was most important to each party, encouraging the parties to appreciate the gaps between their positions, and helping them find ways to bridge those gaps. He even kept a short piece of hose in his desk just in case plaintiff's counsel, the government, or was being unreasonable! That was an important lesson for me."

David took those lessons on bridging gaps and coming to agreement into his first job at a law firm in 1995, when he worked at Wilmer Cutler & Pickering (now known as WilmerHale). After gaining some experiences in litigation and taxation of transfer prices in cross-border transactions, he transitioned to business acquisitions. Recognizing the technology boom that was underway in Northern Virginia in the late 1990's, David moved to Shaw Pittman (now known as Pillsbury Winthrop Shaw Pittman) in Tysons Corner. He joined the firm in 1999, concentrating on mergers and acquisitions, venture capital financing and technology startups. After a brief stint as vice president and general counsel with one of his client, a privately held software startup, David rejoined Pillsbury, continuing his work with startup and emerging technology companies, contractors growing government through acquisitions, and private equity funds buying large infrastructure assets.

In 2010, David moved his practice to Rees Broome. "The recession and stock market crash in 2008 forced me to re-evaluate what I was doing and how I was doing it. I felt that my law practice representing was shifting more toward institutional clients on large-scale transactions, and away from individuals and entrepreneurs just trying to do business on a day-to-day basis. So, I surveyed the landscape in Tysons and quickly focused on Rees Broome." Rees Broome is a 50attorney, full-service law firm that was formed in 1974 by three graduates of the George Washington University Law School. The fact that the two surviving founders of the firm still come to the office every day is meaningful to David. "We have a very strong firm culture, focused on delivering high quality legal services across a broad range of expertise, at reasonable billing rates. As a local, mid-sized law firm, we pride ourselves on having been in Tysons Corner since it was a corner. The way we practice law at Rees Broome is really turning the clock back to the way I saw partners at Wilmer doing business in the 1990s when I first started practicing. We just roll up our sleeves and try to solve problems and create value. Responsiveness and value drive us."

David met his wife, Dale, when they were both working together at a law firm. "She has really been so helpful in my life, teaching me to be mindful, to be aware in the moment." Speaking of her contribution to his professional life, David shares the story of an incident from early in his law career. "I had been doing transactions involving a procedure called transfer pricing, where I was negotiating agreements among foreign corporations, their U.S. subsidiaries, and the taxing authorities of the U.S. and the foreign country. And then the firm starting doing a lot of M&A (mergers and acquisitions) work. So, one day I walked into my office and saw a letter of intent, with a note from one of the partners telling me that they wanted me to work on the deal. I had no idea what I was doing, but someone told me that one of the paralegals had a lot of experience. Her name was Dale, and they said, 'Go talk to Dale; she'll tell you what to do.' She really helped me get my footing in doing M&A transactions. She taught me so much of what I know," he says, laughing. Dale continues her professional engagement as a manager of paralegals at an international law firm, along with maintaining a busy schedule with the children's schools, sports teams, and other community involvement.

When he is not practicing law, David is very involved in supporting his son's commitment to competitive swimming. These days, David's alarm goes off at 3:45 AM during the week, so that he can drive his son to swim practice. During the summers, David is the voice of the Whomping Turtles, the announcer for his son's swim team.

David characterizes his leadership style as "principled. I really try to lead transactions and the negotiation process in a principled way. I explain to my clients that when we are trying to get to agreement with an opposing party, it is really

important to define our principles and goals upfront, and to listen and understand what is important to the other party. Then, we need to frame the agreement according to our goals and principles, which then guide us through the entire process. By anchoring our positions to our principles, we can avoid the 'horse-trading' mindset that tends to emerge in so many negotiations, and get to a much more satisfying resolution."

Advising young people entering the workforce to "really push their boundaries—to try things," David also urges those who would be successful to become well-rounded and to maintain balance in their experiences. He cautions against becoming overly specialized, but rather advises maintaining the broadest possible perspective.

For David, it always comes back to patience and perseverance. "When I am working with my clients on a particularly challenging matter, whether structuring key terms for a merger or acquisition, or negotiating provisions for a business separation, I explain the difference between patience and perseverance, and the value to exercising both in the course of the matter. I recommend that they visualize a well of patience and a well of perseverance, and that they dip into those wells as necessary. I also suggest that they internalize ways to replenish the wells of patience

and perseverance as they are tested through the process. I believe this definitely helps as the tension builds during the course of the engagement, and I am helping my clients keep the big picture in focus."

"When I retire, I want to be able to look back on my professional career, knowing I helped people achieve their business goals and dreams, as I spend my days fishing and connecting with family and friends."

© April 2018 Gordon J. Bernhardt. All rights reserved. Reprinted by permission.

- By Gordon J. Bernhardt, CPA, PFS, CFP®, AIF®

About Gordon J. Bernhardt

President and founder of Bernhardt Wealth Management and author of Profiles in Success: Inspiration from Executive Leaders in the Washington D.C. Area, Gordon provides financial planning and wealth management services to affluent individuals, families and business-owners throughout the Washington, DC area. Since establishing his firm in 1994, he and his team have been focused on providing high-quality service and independent financial advice to help clients make informed decisions about their money. For more information, visit www.BernhardtWealth.com and Gordon's Blog.

