



**1967 - 1985**

**McCANDLISH & LILLARD: THE BARBOUR HOUSE YEARS**

**4069 Chain Bridge Road, Fairfax**

By 1965 it was evident that the Firm would have to expand to reach its full potential in the boom of Northern Virginia. The younger partners urged that the Firm move to a building where it could add associates, and the older partners agreed. The estate of John S. Barbour's widow was in administration at the time. The old home, occupied by the Barbour family since the early 1900's and once at the center of Fairfax social life, was unoccupied and had become the target of vandals. The building was scheduled to be demolished so that the property could be developed. Jack Lillard had the idea of buying just the old house and moving it to a parcel of the estate fronting on Payne Street (which had been renamed Chain Bridge Road).<sup>22</sup> The six partners bought the parcel and the building.

Amid great local fanfare and curiosity William Patram, a well-known building mover, transported the building a hundred yards to its new site. On the day of the Barbour House move, Mr. McCandlish, who was recovering from a recent heart attack, was determined to stay and observe every inch of the movement of the building to its new location on Chain Bridge Road. In a February, 2000 interview, Mrs. McCandlish would recall that the day was particularly hot, and that she went home to prepare a tailgate, complete with ice and "whiskey." She returned in their station wagon so that Mr. McCandlish could sit and enjoy himself while completing his vigil. He did not leave his observation point until the grand old house was placed on the new foundation, virtually damage free.

By Proclamation, Fairfax City praised the Firm and its lawyers for moving and preserving the historic property known as The Barbour House. The original Proclamation, signed by Mayor Ed Prichard in 1967, is displayed today in the Firm's offices along with photographs taken at the time of the move. The partners coordinated the rehabilitation of the former residence. The adaptive reuse preserved the valuable historical integrity of the exterior while creating an ideal new home for the Firm. Fortunately, the partners had the foresight to take an option on an adjoining piece of land. "Garden Plot Associates" was formed and the "garden plot" was held by them in partnership so that the Barbour House could be expanded. The anticipated expansion occurred in 1978. Two additions were added to the Barbour House, making room for 30-35 lawyers. The growth of the 60's continued in the 70's as the power company, the gas company, the telephone company, the Fairfax County Water Authority and related large regional and national clients began their foray into Northern Virginia. The Firm extended its representation of those clients, and would grow in both size and reputation, adding lawyers at partner and associate levels.

In the summer of 1968 Robert C. Whitestone, another graduate of the University of Virginia, returned from a year in California to become an associate with the then five-man Firm. Whitestone stayed for only a year, departing in the fall of 1969 to join the Fairfax County Commonwealth's Attorney's Office.<sup>23</sup>

Thomas J. Cawley joined the Firm as an associate in 1969 and the Firm expanded its expertise and client base. Like associates before and after him, Cawley developed the rudiments of his trial skills by examining and cross-examining witnesses in the City Court. Ultimately, Cawley was responsible for retaining the Fairfax County School Board as a client of the Firm and developed a statewide reputation in the area of school board law and labor and employment relations.<sup>24</sup> James V. Setta began as a clerk with the Firm primarily responsible for title examination. As an associate and later a partner, Setta continued to practice primarily in the real estate area.<sup>25</sup>

In 1971 the Firm hired an associate, Luther G. Jones, who graduated from the Hastings School of Law in California. Jones reputedly rode his bicycle across country to Fairfax. He sought employment as a law clerk, not as an associate because at the time there was a six month residency requirement to take the Virginia Bar Examination. This was later held to be unconstitutional. Jack Lillard once asked Jones to take a regular turn at watering the newly transplanted dogwood trees at the Barbour House – to which Jones unwisely took some umbrage. The rebuff undoubtedly caused some rancor with Lillard and the other partners who were taking their turns. Jones did take and pass the bar examination next following the waiting period, but did not remain with the Firm for any length of time. He left the firm upon passing the Virginia Bar Examination in order to open his own practice. The coincidence of his initials, "L. G.," and abbreviated stay with the Firm prompted McCandlish to bestow upon him, after his departure, the sobriquet "Long Gone Jones". Jones then joined the staff of D.C. Transit, owned by O. Roy Chalk, and defended the bus company for a few years until he joined up with a major labor law firm in the District of Columbia and began his career in labor law and employment law. After thirty one years of litigation representing clients, plaintiffs as well as defendants, in state and Federal courts, on labor and employment matters, he finally decided enough was enough, and is now retired. In 2004, Jones stated that he took no offense at Lillard's chiding, and felt it was good humor. He further noted that he greatly admired Lillard, who "was a deservedly respected attorney and a true southern gentleman."

In 1971, Jesse B. Wilson, III was made a partner, and Gerald R. Walsh joined the Firm as a partner. Wilson had been with the Firm long enough to experience the transition from 102 Payne Street to the Barbour House and he continued the Firm's tradition of Bar service.<sup>26</sup> In 1979 Wilson, like McCandlish before him, would become President of the Virginia Bar Association.

Walsh, a litigator, developed a hard-nosed reputation for medical malpractice defense work, and during his years with the Firm, defended Fairfax Hospital, its affiliates, and later the Inova Health System in malpractice cases.<sup>27</sup> Walsh left the Firm in 1986 to join Crews and Hancock, a Richmond-based firm.

Randolph W. Church, Jr. became the Firm's Managing Partner in 1972 (a position he would hold until 1983). That same year, Randolph A. Sutliff began clerking with the Firm while attending law school, and became an associate with the Firm in the Fall of 1973. Sutliff gained experience in many areas and developed a practice which could fairly be described as a true general law practice.

On January 1, 1974 the Firm began practicing under the name of **McCandlish, Lillard, Church & Best**. The City of Fairfax and the City of Falls Church were among the Firm's clients. Randolph A. Sutliff was Assistant City Attorney for Falls Church and counted among his duties handling traffic cases and misdemeanors, including cleaning up the massage parlors which had become a hot local industry. In fact, this phenomenon had received some mention in Life magazine. The parlors closed, fine revenue for traffic matters increased, and Sutliff kept doing his job. This litigation experience would be the beginning and essentially the end of Mr. Sutliff's active litigation practice in the lower criminal and traffic courts. He did handle major Circuit Court and Federal District Court Civil cases through the first decade of his practice.<sup>28</sup> However, it has to be noted that eventually recognition would catch up with Sutliff, and some years later he would hold the prestigious position of President of the Firm.

Stephen C. Price came into the Firm as an associate in 1974. This would be his first time around with the Firm. He left two years later to pursue an LL.M. at Queens' College in Cambridge, England. He would return nearly 20 years later.

In 1975 the Firm attracted Peter A. Arntson, a respected tax and trusts and estate planning attorney from the Philips, Kendrick, Gearhardt & Aylor firm in Arlington where he had been a partner since 1970. Arntson was brought in to develop and enhance the Firm's estate, tax, and business work and has remained with the Firm since 1975. In 1976, the Wall Street Journal and at least one Tidewater newspaper credited Arntson with correcting pension inequities for certain military personnel. Arntson's lobbying efforts resulted in a provision in the Tax Reform Act of that year which made National Guardsmen and military reservists eligible for individual retirement accounts. Today, Arntson is Senior Counsel in the Firm's Individual Services Group, and over the years has done his part to continue the Firm's commitment to civic and professional endeavors.<sup>29</sup> Robert H. J. Loftus also came to the Firm in 1975 from the Charlottesville firm of Michael & Dent. Beginning as a litigation associate, Loftus parlayed his early prosecution of traffic and criminal matters for Fairfax City and the City of Falls Church into bigger and better things in the world of commercial litigation.

William E. Donnelly, III was hired in 1976 from the Fairfax County Attorney's Office to add to the Firm's growing capability in the municipal, governmental and land use areas. Donnelly practiced with the Firm until 1984. In the summer of 1976, the Firm hired Grady K. Carlson, a first-year law student from the University of Virginia, as a clerk. Carlson returned to the Firm as a second-year Summer Clerk in 1977.

Also in 1976 William C. Bauknight, Jr., a prominent local attorney, joined McCandlish, Lillard, Church & Best to form **McCandlish, Lillard, Bauknight, Church & Best**. Bauknight had first come to Fairfax in 1953 and joined practice with John Webb and Jack Wood. He had opened his own office in 1956 and in 1960 formed a law firm with Edgar A. Prichard and F. Sheild McCandlish, Bob McCandlish's third cousin, once removed. In 1973 Bauknight again opened his own office, this time in Annandale, Virginia. The office was located in the Suburban Savings & Loan Building. Arntson approached him about joining the Firm, and reported Bauknight's interest back to the partners. Bauknight was the classic "rainmaker", and in order to accommodate his established practice, the McCandlish Firm maintained an Annandale office

which was primarily manned by Mr. Bauknight, with Jesse B. Wilson, III and third-year associate, Randy Sutliff. Jim Setta also spent time in that office handling real estate closings and related matters for Suburban. The primary reason that Wilson and Sutliff were in Annandale was the lack of adequate space in the Fairfax office due to the construction of the additions and other renovations to the Barbour House during that period.

Bauknight had lived on the Eastern Shore since 1976. In 1979 he moved his office to the Eastern Shore and joined the Baltimore-based law firm of Miles & Stockbridge, helping to establish that firm's Easton, Maryland office.<sup>30</sup> The Firm then returned to the name **McCandlish, Lillard, Church & Best**. In an interview in February, 2000, Mr. Bauknight recalled that he was trying to get over to the Eastern Shore to indulge his love of sailing but still be able to serve a primary client, Suburban Savings & Loan, in Virginia. He had turned over the Fairfax County Water Authority work to Randolph Church. Bauknight also did a lot of work for Fairfax Hospital out of the Annandale office, and later from Maryland. He maintained a number of contacts with Virginia clients which, over the years, he arranged to turn over to various attorneys. Some of that work remains ongoing within the Firm. Bill Bauknight retired from Miles & Stockbridge on December 31, 1990 and lived for many years in Ivy, Virginia near Charlottesville, with his wife, Margaret. Today they reside in blowing Rock, North Carolina.

From the first partnership between F. D. Richardson and J. W. Ballard until 1977, the Firm had always been a partnership. After two years of trying, Arntson was finally able to convince Church and Lillard that it would be to the Firm's benefit to incorporate. "Partners" became "Principals". Arntson wrote the Firm's first four corporate retirement plans, perhaps the most tangible benefit of the Firm's change in status from a partnership to a professional corporation.

By 1977, ten years had passed since the move of and to the Barbour House. The Firm had grown more than three-fold in size, and Northern Virginia was about to experience tremendous growth. Three students, John M. Gray, R. Peyton Mahaffey and Paul B. Terpak, would begin their first year of law school at the University of Virginia in that year, just as the scope of the Firm's representation of Fairfax Hospital, the Fairfax County Water Authority, the Fairfax County School Board, and the utilities began to increase. The Firm's younger partners lobbied heavily for the addition of new associates to meet the burgeoning workload.

Steven David Stone joined the Firm as an associate in 1977, Grady K. Carlson in June 1978, Ann Wood Mische in 1979, and Barbara L. Abernethy in 1980.<sup>31</sup> Acceding to the pressure and reality of the need for still more help, the Firm interviewed in earnest in the Fall of 1979. To that date, it has been said that the Firm had never paid more than \$18,000 per year as a starting salary to any associate. Times were changing, and with them the attitudes of the marketplace. The Firm had to examine its associate compensation policy in order to compete for the top students.

The McCandlish Class of 1980 would reap the benefits of the Firm's introspection. High demand for young legal talent drove starting associate salaries to the princely sum of \$24,000 per year. Undoubtedly thinking the sum to be exorbitant, few principals missed an opportunity to demand quite a bit more in terms of billable hours and productivity from these young greenhorns. John M. Gray, who worked as a litigator, left within eight months and Paul B. Terpak, who worked

primarily in the evolving municipal group headed by Ranny Church, remained a little longer but ultimately departed.<sup>32</sup> Peyton Mahaffey stayed. Under the sometimes watchful eyes of Walsh, Loftus and Rust, he discovered a penchant for general business, corporate and commercial litigation, which, with a few exceptions, he has pursued ever since.

In 1980 Robert H.J. Loftus became a principal in the firm of **McCandlish, Lillard, Church & Best** and has continued to develop his litigation practice.<sup>33</sup> Over the years his practice has focused on commercial litigation, including the successful litigation of numerous complex and business liability issues for such nationally recognized companies as Marriott, Bell Atlantic, Waste Management, Inc., Virginia Power, Lawyers Title, and others. Loftus has written a number of appellate briefs and been counsel of record in reported decisions.<sup>34</sup>

In 1981 the Firm hired R. Kevin Kennedy, Jacquelyn K. Boyden, and James E. Haluska as associates. Their areas of practice were much needed at that time. Northern Virginia, specifically Fairfax County, was experiencing an unprecedented rate of development. American health care was about to undergo a radical change resulting from the pressure of the insurance lobby. Medical advances created controversy in previously unimagined areas. Kennedy pursued a business, real estate and commercial lending practice. Boyden had clerked one year for Justice A. Christian Compton of the Virginia Supreme Court before coming to the Firm. Boyden's practice was primarily one of medical malpractice defense litigation and she worked closely with Gerald R. Walsh prior to his departure from the Firm in 1986. Boyden continued to develop her practice and became a partner in the Firm in 1988. In 1990 she departed to become Assistant General Counsel at one of the Firm's clients, Inova Health Systems.<sup>35</sup> Haluska, an experienced trial attorney, was hired to support Walsh in the medical practice defense area but would leave the Firm within three years.<sup>36</sup>

In January 1982, after more than twenty-one years with the Firm, Steve Best would briefly join another Fairfax firm, Hazel, Beckhorn & Hanes before pursuing real estate development interests.<sup>37</sup> Later that year the firm of Rust and Rust merged into McCandlish & Lillard, and the long-time friends and previous office neighbors who once shared a bathroom were now together in one firm. The Firm became known as **McCandlish, Lillard, Rust and Church**.<sup>38</sup> John H. Rust had been a member of the Bar since 1938 and actively engaged in practice since that time in Fairfax. He served as Mayor of the Town of Fairfax in the 1940's, in addition to terms as Town Attorney, and later City Attorney, after the Town's incorporation in 1962. His son, John H. ("Jack") Rust, Jr. was a prominent member of the local bar and member of the House of Delegates at the time of the McCandlish and Rust merger. Jack Rust also served as Fairfax City Attorney, succeeding his father from 1976-1978. Along with the merger, three associates also joined the firm, Thomas J. Cavuto, Henry A. Schutz and Everett M. Garber along with Jack Rust and his father.<sup>39</sup>

In 1982 the longstanding Treasurer of Fairfax City, Frances L. Cox, was indicted on the charge of embezzlement of funds from the City. Cox had been a friend of the Rusts, and she naturally turned to them for representation. Jack Rust tapped Peyton Mahaffey to help him defend Cox. The case was closely scrutinized by the local press, including the Washington Post, which followed the case daily. After a two-week trial, Cox was convicted and sentenced to 10 years in

followed the case daily. After a two-week trial, Cox was convicted and sentenced to 10 years in prison. However, Rust and Mahaffey appealed the conviction to the Virginia Supreme Court, and in a professionally satisfying victory, won a reversal on constitutional grounds. Regrettably for Rust, the scrutiny from the Cox case probably cost him the Republican nomination for the House of Delegates in his bid for re-election later that year. It was rare for the Firm to handle felony criminal matters, and after the Cox experience, rarer still.

Both Rusts were with the Firm only briefly following the merger with Miles & Stockbridge in 1984 (see Section 1985 - 1995). Jack Rust left to join the Alexandria firm of Thomas & Fiske by September 1984, and his father, John Rust, essentially retired from the daily practice of law by the end of 1985.

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<sup>22</sup> In February, 2000, Josephine McCandlish recalled that at some point she and others petitioned successfully to change the name of Payne Street to Chain Bridge Road, and as a consequence, in the later years the office at 102 Payne Street became Chain Bridge Road and ultimately the location of the Barbour House would be 4069 Chain Bridge Road rather than Payne Street.

<sup>23</sup> After his tenure with the Commonwealth's Attorney's Office, **Robert C. Whitestone** successfully pursued a career primarily as a criminal defense attorney in Northern Virginia. Today he is a principal in the Fairfax firm of Whitestone, Brent, Young & Merrill, P.C.

<sup>24</sup> **Thomas J. Cawley's Reported Cases:** *Paxman v. Campbell*, 612 F.2d 848 (4th Cir. 1980); *Modaber v. Culpeper Memorial Hospital, Inc.*, 674 F.2d 1023 (4th Cir. 1982); *Gambino v. Fairfax County School Bd.*, 564 F.2d 157 (4th Cir 1977); *County School Bd. of Fairfax County v. A. A. Beiro Const. Co., Inc.*, 223 Va. 161, 286 S.E.2d 232 (1982); *County School Bd. of Fairfax County v. M. L. Whitlow, Inc.*, 223 Va. 157, 286 S.E. 2d 230 (1982).

<sup>25</sup> **James V. Setta** practiced with the Firm from 1969 to 1976. Upon leaving Setta worked for Commonwealth Title Insurance Company for ten years, and then started his own company, Heritage Title & Escrow Corporation, in the District of Columbia. In 1996 he retired and today lives part time in both California and Hawaii.

<sup>26</sup> **Jesse B. Wilson, III**, in addition to being President of the Virginia Bar Association in 1979, is also a past president of the Fairfax Bar Association (1976-1977), has served as a member of the Board of Visitors of the University of Virginia (1984-1992), and is a permanent member of the 4th Circuit Judicial Conference. Mr. Wilson was elected a Fellow of the American Bar Foundation and a Fellow of the Virginia Law Foundation. He is also a trustee for the Claude Moore Charitable Foundation, Inc., a substantial client which he helped bring to the Firm.

<sup>27</sup> **Gerald R. Walsh's Reported Cases:** *Modaber v. Culpeper Memorial Hospital, Inc.*, 674 F.2d 1023 (4th Cir. 1982).

<sup>28</sup> **Randolph A. Sutliff's Reported Cases:** *Matter of National Homeowners Sales Service Corp.*, 554 F.2d 636 (4th Cir. 1977); *In Re: Action Industries Tender Offer*, 572 F.Supp. 846 (E.D.Va. 1983); *Crown Central Petroleum Corp. v. Brice*, 427 F.Supp. 638 (E.D. Va. 1977).

<sup>29</sup> **Peter A. Arntson** is a past Chairman of the Board of Governors of the Tax Section of the Virginia State Bar, publishing Law Review articles on Virginia land trusts and IRAs. He has written manuals and outlines and participated in more than a dozen Continuing Legal Education seminars on a variety of tax issues. He also served on the Boards of numerous charitable and non-profit organizations such as the Northern Virginia Chapter of the American Heart Association (Past-Chairman), the Arlington Community Foundation, and the National Capital Area Boy Scouts of America. Arntson is a retired Colonel in the U. S. Army Reserves and a graduate of the U. S. Army War College. He is also a trustee for the Claude Moore Charitable Foundation, Inc., a substantial client which he helped bring to the Firm.

<sup>30</sup> **William C. Bauknight, Jr.** would work with his old McCandlish colleagues once more from 1984-1990, part of the period that encompassed the merger of the McCandlish Firm and Miles & Stockbridge. See Section 1985-1985, "Merger and Move to Fair Oaks Plaza."

<sup>31</sup> **Steven David Stone** was an associate with the Firm from 1977 to 1980. Today he practices in the Law Offices of Steven David Stone, P.C. in Alexandria, Virginia. **Grady K. Carlson** was an associate with the Firm from June 1978 to July 1984. Today he is a partner in the Tysons Corner offices of Hunton & Williams. **Ann Wood Mische** was with the Firm from 1979 to 1982, when she left to join the firm of Kattenberg & Sickels in a practice devoted primarily to family law. Today she is a partner in the Fairfax firm of Joseph & Mische. **Barbara L. Abernethy** had been practicing with a McLean firm for a year following her graduation from American University Law School in 1979. In May 1980 she joined the Firm as an associate focusing in the areas of business and estate planning. In August 1981 she married fellow associate Grady K. Carlson, and remained with the Firm until 1984. In December 1984, Barbara Carlson left the active practice of law.

<sup>32</sup> **John M. Gray** joined Mays & Valentine in Richmond in 1981, then worked for Fried, Frank in Washington D.C., and later became general counsel for a national trade association in the food industry based in Washington D.C. **Paul B. Terpak** joined the Fairfax firm of Blankingship and Keith and served for some time as its Managing Partner. Terpak also went on to become President of the Fairfax Bar Association.

<sup>33</sup> For several years, **Robert H. J. Loftus** served on the Policy Committee of Miles & Stockbridge after the merger with the McCandlish Firm in 1984, and was initially President of the "re-established" Firm of McCandlish & Lillard, P.C. at a very important time of transition from June 1995 to January 1997.

<sup>34</sup> **Robert H. J. Loftus' Reported Cases:** Leachman v. Beech Aircraft Corp., 694 F.2d, 1301 (C.A. D.C. (1982); McCandless v. Beech Aircraft Corp., 697 F.2d 1156 (C.A. D.C.) 1983; Resource Conservation Management, Inc. v. Board of Sup'rs of Prince William County, 238 Va. 15, 380 S.E.2d 879 (1989); Marriott Corp. v. Combined Properties Ltd. Partnership, 239 Va., 391 S.E.2d 313 (1990); Pahlavi Ansari, 113 F.3d 17 (4th Cir. 1997).

<sup>35</sup> In the late 1990's **Jacquelyn K. Boyden** moved to Chapel Hill, North Carolina to continue her career as Assistant General Counsel for Blue Cross Blue Shield of North Carolina.

<sup>36</sup> **James E. Haluska** would leave the Firm prior to the merger with Miles & Stockbridge in 1984. He continued in the insurance defense litigation area, first as in-house counsel to an insurance carrier and later in private practice.

<sup>37</sup> **Steven L. Best** practiced with the Hazel firm for a short period before setting up his own practice. In the early 90's, after 33 years of private practice and some real estate development, Best began to spend more and more time pursuing his interests in art and sailing. Until his untimely death in 2008, he lived near Hope Town in Abaco, Bahamas where he enjoyed painting, sailing and writing. Steve Best's publications, paintings and watercolors have been exhibited from New York to the Bahamas, and many places in between.

<sup>38</sup> In addition to John and Jack Rust, their three associates, **Henry A. Schutz, III, Thomas James Cavuto** and **Everett M. Garber** joined the Firm. Cavuto and Garber would leave within three years and Schutz would leave within four.

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**John H. Rust, Jr.'s Reported Cases:** *Tuscarora, Inc. v. B.V.A. Credit Corporation, et al.*, 218 Va. 849, S.E.2d 778 (1978); *United Virginia Bank/National v. Best*, 223 Va. 112, 286 S.E.2d 221 (1982); *Cox v. Commonwealth*, 227 Va. 324, 315 S.E.2d 228 (1984).