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'Old-Style Partnership'

Former Paul Hastings Partners Find There Is a Vibrant Practice After the Age of Mandatory Retirement

By **Susan McRae**
Daily Journal Staff Writer

LOS ANGELES — The year 2005 marked a watershed for Alan K. Steinbrecher.

At age 59, and after spending a career spanning nearly three decades at Paul, Hastings, Janofsky & Walker — beginning as a summer associate and ending as head of firmwide litigation — Steinbrecher was fast approaching the mandatory retirement age set by his and many other big firms. Like so many others in his position, he was healthy and energetic and wanted to continue practicing law for some years to come.

And while Paul Hastings can and does make exceptions to its retirement age of 65, Steinbrecher said he also had reached a point in his career where he was ready to try something new.

So, he sat down with the firm's management, told them he was thinking of setting



Susan McRae / Daily Journal

Alan K. Steinbrecher, left, and Robert S. Span

Steinbrecher & Span

Los Angeles
Number of lawyers: 5
Founded: 2009
Specialty: Litigation

Business Tips

- Maintain close relations with your former firm because it can be a big source of referrals
- In meeting future clients, turn the talk to their needs, not yours

up his own shop and worked out an arrangement to sublease space from the firm inside its Los Angeles headquarters.

Four years into the venture, his longtime colleague, Robert S. Span, who had started at Paul Hastings a year before Steinbrecher, decided to join him. In February 2009, the practice became known as Steinbrecher & Span.

The somewhat unique arrangement has proved beneficial all around, all the parties involved say.

Paul Hastings got a ready-made referral service for cases that present conflicts

or matters that are too small for the larger firm to handle efficiently — without fear that the boutique would take away its clients.

Steinbrecher & Span got ready-made office space at a decent rate and, at an extra charge, use of its former firm-turned-landlord's back-office infrastructure, such as high-speed copying and messenger service. (They are located on the 17th floor of the building with Paul Hastings' support staff, away from the firm's lawyers.)

Paul Hastings managing partner Greg Nitzkowski, who helped broker the deal, said he never thought of it as creating a unique situation.

"Alan and Bob are longtime litigation partners who decided they wanted to do something a little different with their lives and professional careers," Nitzkowski said. "We wanted to have them close to us, so we sublet them space and refer work when we are conflicted out and when it's

not in the sweet spot of the litigation we do.

"It wasn't a strategic decision, but a decision reflecting our long-term relationship and our desire to continue having a relationship with them."

Peter Zeughauser, a legal industry consultant, observed that big law firms traditionally like to see their alums do well.

"A lot of people say big law firms have no soul," Zeughauser said. "I think this is an indication to the contrary."

So far, the small litigation boutique seems to be thriving.

Span remembers the thrill of seeing the first check come in to the new firm.

"It was from a client of mine in a litigation matter that I had been working on at Paul Hastings, and they moved the case with me," Span said. "So, it was nothing unusual or surprising. It was just seeing that check come in."

"At Paul Hastings, that check would have gone to the accounting department,

and I never would have seen it. I would know that the bill was paid, but it's something different when you're in a much smaller environment. It's more personal. That was fun."

Starting with a little more than half of their former clients, the partners began adding to their roster through referrals — they estimate 30 percent of their work comes from Paul Hastings, outside recommendations and bar contacts.

Steinbrecher is this year's president of the Los Angeles County Bar Association. Span also is active in the county bar, as well as past president of the Association of Business Trial Lawyers, the Santa Monica Bar Association and he is a member of the governing committee of the American Bar Association's Forum on Air and Space Law.

Besides the two partners, the firm employs two contract attorneys, Douglas R. Painter and Barbara Stein, both of whom have more than two decades of business litigation experience, and an of counsel, Richard J. Denney Jr., who was with the Environmental Protection Agency and has 40 years experience in environmental law and litigation.

The firm's secretary has gone from part-time, when Steinbrecher started out in a solo practice, to full-time. A bookkeeper now comes in three times a month, and the partners have increased their space to five offices, several work stations and a small conference room.

The lawyers do mainly defense litigation, but they also have handled some plaintiffs' cases involving wrongful termination, personal injury and breach of contract. Their clients include major airlines and the aviation industry.

Steinbrecher, a former Navy pilot, represents airlines and aircraft manufacturers in claims arising from crashes. Span represents the industry in litigation and negotiations over airport terminal leases and landing fees. He also represents the Air Transport Association of America Inc., the trade association of the nation's major airlines.

The firm also has clients in the television and entertainment field and has han-

dled the defense of two law firms. The partners declined to identify the firms, but described one case as an arbitration stemming from issues involving a firm's dissolution; the other involved a complaint over wrongful termination.

While they are ready and willing to go to trial, most cases, particularly those with the larger institutional clients, are resolved out of court. In the past five years, Steinbacher said, he has gone to trial twice.

"You certainly can't adopt the position that you're going to settle no matter what, because you'll get thrown out that way," Steinbrecher said. "But if you are reasonable, and the other side is reasonable, it's often much better to resolve a dispute than go through the expense and uncertainty of trial."

Most cases are resolved through mediations or arbitrations. Some arbitrations, like the law firm cases, are contractual. The partners also handle most of their own appeals.

There is no managing partner. The partners describing their relationship as an "old-style partnership." They make decisions jointly and split everything down the middle. If they were to add a third partner, they said, they would continue that practice.

"We don't track who brings in what business," Steinbrecher said. "It's the firm's business. It's very much a 50/50 decision-making process, and everything else is split."

Added Span, "We joke that we'll go out to lunch together and that's our partnership retreat. We'll talk about whatever we need to talk about in the office, make decisions and do it."

A common selling point with most boutique-size firms is their flexibility in billing.

At Steinbrecher & Span, the partnership fees are \$495 an hour. Contract attorneys bill at \$295 an hour. The firm also does some contingency work, particularly in plaintiffs' wrongful termination and personal injury cases. And, with their more institutional clients, they said, they are willing to discuss "anything that makes sense to them."

David A. Berg, vice president and general counsel of the Air Transport Association of America Inc., said the organization has used Span's services for the past 25 years. Calling Span the "go-to guy on federal pre-emption issues," he said fees also were a consideration with the association when it decided to move with Span to the smaller firm.

"I think Bob has a little more flexibility fee-wise now, which is always welcome from a client's perspective," Berg said.

He said fees were becoming a "little bit of an issue" at Paul Hastings.

Another client, who retained the firm last year in a wrongful termination case, also had fee considerations in mind.

Tarini Ramaprakash, general counsel to On Assignment, a professional staffing company, said she talked to a couple of lawyers and Span "seemed like a good fit." Not only was he easy go talk to and extremely smart, she said, but he also has years of big firm experience.

"Sometimes with small firms, they don't have that experience and network," Ramaprakash said. "With Bob, he had that. You got high-level representation but not at big firm prices."

No question, Paul Hastings' proximity and support has been an asset, the partners acknowledged, particularly in landing new clients.

"The best thing is getting the work, doing the job and doing it well and efficiently," Span said. "For the people you haven't worked with, it's more of a challenge."

"But I think telling our story, who we are, the fact that we have big firm experience and have held leadership positions in the bar, and our reputation within the legal community, helps."

Equally important, Steinbrecher said, is when meeting the general counsel of a new company, to focus on the potential client's legal needs and how they can help.

"We feel it's most important to listen to what the client's issues and concerns are, as opposed to trying to sell ourselves, because people all the time are trying to sell them things, including legal services," Steinbrecher said. "We want to listen, and we want to be responsive."