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#### JOB-HOPPING LAWYERS

### Major firms held in contempt

*Unhappy attorneys flock to smaller firms in bid for more freedom, opportunities*

by Tommy Fernandez

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**T**hree hours into his new job at a major New York law firm, attorney Seth Cohen, irritated by the bureaucracy and micromanagement, decided he wanted to work someplace else.

A few days after that, he quit. A week later, he had another job.

"I want to assert more control over my career," says Mr. Cohen, who is now a corporate associate at Morrison Cohen (the name partner is no relation).

New York's legal industry is being roiled by more and more attorneys like Mr. Cohen — men and woman who are impatient to shape their own destinies or lead more normal lives. They're moving because they are fed up with the long hours, condescending superiors and ultracorporate management at major firms. As a result, medium-sized firms and out-of-town players looking to break into the city have new opportunities to grab some of the best local talent.

"I'd say that over half of the attorneys in New York are unhappy with their current situations," says Jack Zaremski, president of Hanover Legal

Personnel Services Inc. “This makes them ripe for movement, as long as there are firms willing to offer what they want.”

Judging from recent activity, ample numbers of firms are happy to oblige.

“There’s a war going on for attorneys,” says Michael Lord, who runs an eponymous recruiting firm. “The market is very strong.”

The spoils of war are many. Moses & Singer has poached finance specialists James Alterbaum and Allan Grauberd from Jenkins & Gilchrist. Greenberg, Traurig, which is based in Miami but has an exploding New York presence, has hired nearly 20 attorneys from several competitors over the past year.

The New York office of Chicago-based Kirkland & Ellis three weeks ago nabbed rainmaker Richard Cieri, who had headed the restructuring practice at Gibson Dunn & Crutcher. London-firm Linklaters has hired investment-fund attorney Scott Bowie away from Latham & Watkins.

Until recently, an attorney who switched firms was looked upon as a mutineer, or worse. Lawyers were expected to work at their first firm until they died of old age. This attitude started to change during the 1990s as attorneys who were more conscious of quality-of-life issues left the traditional track, firm-hopping in pursuit of jobs that gave them more time to raise families and enjoy life.

#### **Job-hopping popular**

An industry trend toward consolidation has made job-hopping more tempting as firms have merged, and merged yet again. Attorneys accustomed to varied and more intimate office cultures were pigeonholed within massive corporate organizations. Partners were forced to increase billable hours, raise fees and manage large, more complex legal teams. One result: Associates lost much of their independence.

Recruiter Mr. Zaremski says that many attorneys in New York are so discontented that he is luring them away with minimal salary increases, if

any. A lot of attorneys don't want heaps more money, he says, just work arrangements that better suit their needs.

"In this tight market, law firms have to work harder to create cultures that actually make lawyers happy," says Mr. Zaremski, who sits on a state bar committee studying quality-of-life issues.

A chief objective for associates is the freedom to make names for themselves. Take, for example, a fourth-year attorney who joined Bingham McCutchen from a much larger New York competitor. The old firm didn't give trial work to associates with less than five years' experience. Within months at Bingham, the associate served as second chair at two trials.

Partners, meanwhile, want practice arrangements that won't scare their clients. As firms get larger, their hourly rates usually increase; the biggest firms now charge more than \$800 an hour. Attorneys in certain practices, including trusts and estates, matrimonial law and middle-market finance, are generally afraid to charge more than \$500 an hour. Some are protecting their client relationships by moving to medium-sized firms - which often have lower fees - and taking their clients with them.

"I think that a lot of these big-firm partners are ripe for the taking by middle-market firms," says recruiter Mr. Lord.

It's easier to jump ship nowadays, because many practice groups within law firms have become self-sustaining. Moses & Singer's Mr. Alterbaum says that many clients today are loyal to their lawyers within the practice groups and not to the firms that employ them. As a result, he notes, "more and more clients are saying, 'This attorney is my guy. If he goes, I'm going with him.'"

#### **Lawyers value style**

It's hard to overestimate the importance that many lawyers place on the focus and style of their practices. Fifty-seven lawyers in the New York office of Swidler Berlin Shereff Friedman left for Philadelphia-based

Dechert's office here because they wanted to be part of a firm committed to Wall Street clients. Swidler, headquartered in Washington, D.C., is known for lobbying and regulatory work.

Says Martin Nussbaum, who led the Swidler team to Dechert, "Dechert has a very strong private equity practice, which has skill sets which were more harmonious with what we want to accomplish with our investment clients."

Ironically, Swidler's management was not unhappy about the defections. The exodus allowed the firm to concentrate on a few core practices in the city and slim down its operations.

"It made better sense for us to focus in New York on where we had the best market penetration," says Barry Drenfield, a Swidler managing partner.

Another powerful lure available to firms looking to capitalize on partner malaise is flexible compensation. Medium-sized firms like Morrison Cohen and out-of-town firms like Greenberg Traurig are among those tailoring packages to entice new hires.

Says David Scherl, a Morrison managing partner, "The business models at large firms really don't work for most attorneys."

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