

**Linking Arms and Loosening Ties**  
**Area law firms take new paths to achieve old goals - more files, top hires**

**By Cynthia Snyder**  
**Staff Writer, Princeton Business Journal**  
**May 23-25, 2000**

Reprinted with permission of publisher

Hoping to recruit the best and the brightest, area law firms are inflating wage packages, loosening dress codes, encouraging family time and actively seeking strategic partnerships with well-established small firms and solo practices. A tight hiring market and increased competition among firms to provide clients with one-stop services also have led to major changes in the practice of law.

A recent announcement from regional giant Saul, Ewing, Remick & Saul - motto, "Lawyers Thinking Ahead" - trumpets a staggering \$10,000 increase in all associate salaries across the board, with starting salaries in the Princeton office climbing to \$100,000, up from \$90,000 last year. The shower of green comes "in response to current trends in the industry," the announcement stated, and is "part of Saul Ewing's determination to compete for and keep the best associate talent," according to Managing Partner John Stoviak.

But just when young lawyers may be tempted to spend their padded earnings on designer suits, there soon may be less occasion for those high-priced duds. Local firm Reed Smith Shaw & McClay has gone "business casual" every day, leaving the daily dress-up/dress-down decisions to the discretion of the individual attorney. At Reed Smith, salaries also are increasing as the firm seeks to skim the cream from the available pool of top legal talent.

Len Bernstein, administrative partner in the firm's New Jersey office, said market pressure has made it impossible to hold down starting salaries. "Unfortunately, the market forces generated by the Silicon Valley law firms have skewed the market so that the market for top-level, starting-level lawyers has exploded," he explained. "Our clients expect that we will get the best lawyers for them. So while these salaries are astronomical, we have to compete. That's what led to our meeting and, hopefully, beating the competition."

For many law firms, the salary surge seemed to happen almost overnight. "It's more revolution than evolution," said Barry Epstein of Passaic, a Bergen County civil trial attorney in private practice for more than 30 years, who was sworn in as president-elect of the New Jersey State Bar Association (NJBA) on May 14. "Large law firms recognize they just can't march ahead with the status quo," he said. "To compete against each

other and to compete with other things that young attorneys fresh out of law school may wish to do... they've had to increase their starting salaries even more."

For example, Mr. Epstein said, a phenomenon that is increasing in the legal profession is that some of the best new prospects never take the bar exam. "Let's put it this way," said Mr. Epstein. "I don't think that being a lawyer is the easiest way to wealth if you're a bright and talented person. There are young attorneys coming out of the best schools who don't even take bar exams, who never work for firms. They go into finance. Internet situations, high tech - whatever - where the opportunity for financial reward can be a lot greater. There's just not enough talent to go around to fill the needs of the large firms."

Other young attorneys may shy away from the "killer" hours imposed on them by large firm practice, said Mr. Epstein, and therefore they seek public sector jobs as government attorneys or else find a more comfortable niche in smaller firms. Money's not the issue in such cases, he opined, "they're interested in quality-of-life issues."

Under normal circumstances, Mr. Epstein's firm, which has four lawyers on its letterhead, couldn't compete for a top-ranking graduate. Nevertheless, he successfully recruited one - from within his own family. "My son, who graduated Harvard Law School is now in my firm, I'm proud to say," he kvelled. "Historically speaking, however, somebody like me with a four-lawyer firm would generally never have that opportunity. But given all the dynamics, the relationship I have with my son, he's chosen a smaller firm career."

A feeling of family, with or without blood ties, has enabled Princeton law firm Mason, Griffin & Pierson, with 19 attorneys currently on the roster, to recruit some of the best talent available in New Jersey for nearly half a century without a sizable bankroll. "The firm is a very-people/ family-oriented place to be," said partner and shareholder Kris Hadinger at Mason Griffin's 45th anniversary celebration. "It's always felt like a happy, comfortable home. The more senior members were always mentors, and my peers have always been my friends. We grew up together in the profession."

According to Princeton Township Attorney Ed Schmeirer, Mason Griffin's managing partner, a sense of family forms the cornerstone of the firm's overall recruiting strategy. "You can't compete dollar-for-dollar. We compete for quality of life," he said. "We pay a fair salary. But it's also important getting up in the morning and being happy to go to work."

Mr. Schmeirer made the personal decision 23 years ago, he said, to give family priority over income. "I realized I wanted to be a soccer Dad, and to take my daughter to ice hockey," he explained. At Mason Griffin, he said, there was always the freedom to take in a late afternoon game at the school and then return to work in the evening for a town meeting or whatever was on the agenda. "I would leave a little early for one of my daughter's games, and my colleagues would say 'Good luck to Beth! I hope she wins today.' It's the quality of life I selected. I could have made more money, but it wasn't worth it to me."

Another ace in the hole for a medium-sized firm like Mason Griffin is the ability to offer young lawyers immediate practice experience without a protracted apprenticeship, said Mr. Schmeirer. "We get contacted by the same top guns out of law school. For instance, the brightest young lady will join us in September. She'll start here for less than at some of the larger firms, but when she talked to us, she indicated she wanted hands-on client contact and wanted to practice as a lawyer and not as a superclerk for the next two years."

With its focus on municipal and small business work in the Princeton area, Mason Griffin has carved a niche that keeps it out of direct competition with "the Route 1 firms," as Mr. Schmeirer terms them. The firm's top 10 clients, he said, average 25 to 30 years in relationship with Mason Griffin, with Princeton Township (48 years) the oldest, followed by Griffith Electric (45 years) and the Princeton University Store. But as the firm's client base has expanded, so has the need for more diversified services.

"We do have some large corporate clients, including General Motors," said Ms. Hadinger, "and we do represent some corporations with international clients."

In step with a trend that has begun to change the legal landscape, Mason Griffin has begun to form strategic partnerships with other area practices. Typical of the firm's personalized style, Mason Griffin often forges such relationships through family contact's. "We have a wonderful relationship with William Deni, on Main Street in Flemington," said Mr. Schmeirer. "We met through the Hun School. I know Bill as an outstanding person, who loves his practice, loves Flemington, and loves us sending a couple associates to help him in areas that are outside his specialization - family law and criminal law - which are two practice areas we weren't in."

In the course of serving the municipal and business needs of its clients Mason Griffin also can now offer ancillary legal work as part of the personal touch the firm promotes. "Our clients would from time to time come to us with a family law matter and say 'can you help us?' I'd answer, 'I can't, but I've got a guy who can,'" said Mr. Schmeirer. "If you have problems with the law, drunk driving, white-collar crime... (Deni is) a former assistant prosecutor. Meanwhile, I do land use work for his clients. So it's a wonderful marriage."

One would think that strategic partnerships would be less of a necessity for big firms such as Reed Smith, a Pittsburgh-based firm of more than 600 attorneys with a 70-lawyer New Jersey presence. Not so, according to Mr. Bernstein, who heads the firm's New Jersey operations from an office located in the Forrestal Village, because more and more medium-sized and small firms will be affiliating with Reed Smith over the next few years.

"We are actively, actively looking to expand with the best and brightest lawyers in our region," Mr. Bernstein said. "And that message you can broadcast loud and clear."

And local partnerships will go along way toward combating the image problem confronting regional firms like Reed Smith. "The New Jersey Law Journal loves calling

us a Pittsburgh firm," Mr. Bernstein fumed. "Well, we drive on Route 1. We curse at traffic, just like everyone else. What's the difference? But they have this fixation about us being from Mars that is very frustrating."

By linking arms with a larger firm, small local practices can call upon the larger firm's breadth and depth of expertise. They also can avail themselves of all the extras that go along with corporate strength: e-mail, overnight delivery, fax, voice mail - and with the Internet virtually eliminating distances, it no longer matters if such perks are under one's own roof or two states away. "The clients want multidisciplinary service over many geographies, and that's what we're trying to give them," Mr. Bernstein said.

Not so fast, responded Mr. Epstein from his perspective as NJBA president. It all depends on what you mean by "multidisciplinary practice" (MDP), which is currently a hot-button term in the legal profession, he pointed out. If you mean by it that you're offering a wide range of legal services under one umbrella, that's one thing, he said. But what has begun to worry bar associations across the country is the phenomenon of mixing legal, financial and insurance services under the same umbrella.

"We've taken a position that we are opposed to MDP. We've studied it and we've issued a report on it," said Mr. Epstein. At a recent meeting of the MidAtlantic Bar Association, comprised of associations from New York, New Jersey, Pennsylvania, Maryland, Delaware and Washington D.C., nearly an entire day was devoted to the matter. "It's a hot issue, and it's going to be a major issue at the American Bar Association meeting this July in New York City," said Mr. Epstein.

The greatest threat posed by MDP is conflict of interest. "This could affect everybody all across the board," said Mr. Epstein. "Somebody comes into an accounting firm to get their tax return done and they're selling their house, and they're sent down the hall to take care of that. And then maybe there's a guy on the next floor who sells insurance, so he takes care of that," he said, citing PricewaterhouseCoopers as the leading proponent of this trend.

"It's not just accounting and law services. It can be insurance, estate planning, stock marketing, whatever... But lawyers in New Jersey have to adhere to a code of conduct," Mr. Epstein said. The rules do not allow you to share fees with non-lawyers. And that's a rule that has to be changed, obviously, before lawyers can jump into these kinds of practices, or, in a general sense, form these kinds of relationships."

When the PricewaterhouseCoopers and their ilk move in, said Mr. Epstein, the impact on practices both large and small could be far-reaching. "Everybody could be affected by the multidisciplinary practice issue, and any law firms who don't think they could be affected by it are just not seriously thinking about the consequences."

While partnership ties are tightening across a variety of disciplines, other ties - in the traditional, sartorial sense - are loosening. New Jersey legal practices, both large and small, are looking for any angle, no matter how slight, to promote the kind of happy

work environment that attracts and retains talent. For some firms, this means "going casual."

Following Wall Street's lead, Reed Smith is among the first area firms to go business casual every day. "We decided to allow our lawyers discretion based on their client relationships," said Mr. Bernstein. "Again, it's really about adapting to change in the world. And different dress is the norm. Certainly in the Princeton area, 90 percent of the people going to work are dressed casually."

Could a diversity of dress result in a staggered playing field for lawyers within a firm, causing the better dressed to appear the better motivated and thus the better choice for promotion? Theoretically not. "We evaluate people on a substantive basis," said Mr. Bernstein. "No one got anywhere by the clothes they wear. We're leaving it up to people's discretion because we trust and have confidence in the people we brought in. I think Reed Smith is a little ahead in this."

At Mason Griffin, where the firm has been observing dress-down Fridays for years, the habit has long been established to keep a suit and dress shoes in the office closet just in case. "Maybe I'm old-fashioned," said Mr. Schmeirer, "but it gives the client a 'certain comfort level when they can say of their lawyer, 'they're a good representation of me.' When they trot their lawyer out to negotiate open space or something, they expect to see someone in a traditional, lawyer mode."

But Thomas Irwin, a former Mason Griffin associate who now works as in-house counsel for international management training consultants Kepner-Tregoe, said the client comfort level has shifted. As a result, his company, which had observed summer casual dress only, has gone casual year-round.

"I recently visited Sun Microsystems in Boulder, Colorado," said Mr. Irwin. "And a high-level, in-house counsel met us in jeans and a flannel shirt. That's the environment they operate in. It's a recruiting advantage. And in New York, firms are closing doors and merging because they can't buy associates. I guess it's a good time to be coming out of law school."

Trishka Waterbury, the newest recruit at Mason Griffin agrees, but doesn't consider herself "bought." A lifelong resident of Princeton, she had no idea she also would build her legal career in the same town, but is happy with the way things turned out. To lure her onto the roster, Mason Griffin needed no new tactics - just the same old community involvement that has characterized the firm since its beginning.

"We're not just in it for the money," Ms. Waterbury said. Encouraged by her mentors, she now serves on the legislative committee of the Chamber of Commerce of the Princeton Area, an assignment which already has given her a deeper sense of rootedness. "I didn't know this was what I was looking for until I found it," she said