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Industry Watch

For Young and Motivated, Big Benefits in a Mid-Sized Firm

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LOS ANGELES — Thirteen years ago, after stints assisting sole practitioners and making partner at a 20-attorney firm, Stuart Liner decided he was ready to open his own shop. So he and a colleague, Steve Yankelevitz, struck out on their own with two associates and started the firm that is now known as Liner Grode Stein Yankelevitz Sunshine Regenstreif & Taylor LLP.

Over the last decade, the firm has grown to 80 attorneys and come to occupy a unique place in the Los Angeles legal market. It's a mid-sized, local firm led by relatively young partners — Liner says the average age is about 46 or 47 — that has expanded almost exclusively by bringing in lateral partners defecting from larger firms.

"There are fewer and fewer law firms that are based out of Los Angeles that aren't national law firms or outposts of national law firms," Liner said. "So firms either tend to be much smaller than us or much, much larger."

Liner says holding court in the middle has allowed the firm to distinguish itself to both its clients and potential recruits. Its relaxed management structure — there are no committees or all-partner meetings — allows partners to focus exclusively on building their business, which is the reason many decided to join the firm.

"We weren't interested in trying to bring in somebody who was going to change the way we were conducting the business," Liner said. "We were looking for relatively young men and women who were highly motivated and typically tiring of carrying someone else's bag and ready to stand on their own two feet and try to build a practice."

It was a tempting concept for more seasoned attorneys as well. Angela Agrusa came to the Liner firm after spending



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"Everybody thought you needed to be a national or international Law Firm and I think many people finally woke up and realized that it was not improving their practice," says Stuart Liner, managing partner of the 80-attorney Liner Grode Stein Yankelevitz Sunshine Regenstreif & Taylor LLP.

the first 16 years of her career at Baker Hostetler, where she most recently chaired the firm's litigation practice in California and its firmwide complex business litigation team.

"Coming from having a big administrative job both on a national and local level, I was very attracted to the idea of not sitting in a lot of meetings," Agrusa said. "As it turns out, in many ways I feel I have a bigger say here than I did there as a practice head because Stuart is so open to other peoples' thought processes."

Liner points out that the firm's relative youth also means it is not hampered by precedent when it comes to its billing policies, which is attractive to both clients and attorneys trying to bring in business.

The firm has always budgeted at least 10 percent of its overall manpower to contingency cases, and in a good year these cases can generate 25 percent of the firm's rev-

enue. Liner cites an ongoing commitment to finding alternative fee arrangements as a key component of the firm's success.

"Many business-oriented law firms around town are just now starting to look at these types of financial arrangements, mainly out of necessity because they are unable to find enough high hourly rate work," Liner said. "But they will see that it takes a very different skill set to be a successful contingent fee lawyer. We're very disciplined about how we pick matters and extremely efficient in how we pursue them."

Having the option to work out alternative arrangements helps the firm retain existing clients and attract those that are under increasing pressure to cut legal expenses. Clients cite the firm's flexibility as one of its most important virtues.

"The attorneys I deal with there are al-

ways abreast of what's going on in the market and flexible in working with us," said Tom Kirby, a senior director at CBRE Investors. "Historically, we have always been able to come to a lease agreement or a contract agreement where both parties walked away feeling good about the transaction."

The same flexibility also allows the firm's attorneys to pursue what can sometimes be more interesting work.

For Agrusa, the opportunity to pursue mid-market clients was one of the reasons she joined the firm. As a litigator with an emphasis in intellectual property, she felt it gave her the opportunity to pursue more cutting-edge work.

"A lot of mid-market, regional-based clients were having a hard time paying big firm fees and I was sensing those opportunities were going to be lost," Agrusa said. "I didn't have the flexibility to do contingency fee work, and a firm like this was built for that kind of practice - where if you make a business justification for interesting and complex work, you can do it."

Liner said the recession has forced larger firms, and the attorneys who practice there, to consider new approaches to clients and billing that more closely resemble those he has put in place. Even partners with books of business, who in boom times were typically drawn to the largest of firms, are now interested in the security and flexibility a smaller firm can provide. As a result, he sees resumes not just from younger partners, but from those more established in their careers.

"There's been this backlash. Everybody thought you needed to be a national or international law firm and I think many people finally woke up and realized that it was not improving their practice, it wasn't improving the clients, and in many ways it was acting as an obstacle," Liner said. "Now, standing where we do today, we're getting incredible looks at lawyers."

Stanton "Larry" Stein joined the firm five months ago after more than 30 years representing entertainment clients, most recently at Marc Dreier's now-defunct

California affiliate. He describes the move as a smooth transition that has allowed him to expand his practice, even after several decades in the business.

"My goal in coming here was basically to practice law, build my practice and expand into areas I haven't been in before," Stein said, citing video games as an example. "I'm happier than I've been in the practice of law at this point, in no small part because of Stuart's sensitivity, and he's willing to be flexible in the structure of fees and services in a way that most law firms are not. That's their weakness and his strength."

Liner's decision to focus almost exclusively on the business side of the firm means the attorneys who practice there can do what they came there to do — practice law.

"Stuart has good business acumen for an attorney and he runs a profitable, tight-ship firm," said Erick Richardson, the managing partner of Richardson Patel. "He really is an expert at motivating the people around him and he engenders a lot of loyalty."