

A sense of optimism as law firms looking to expand

BY ANDREW KITCHENMAN

WHILE THE RECESSION has hit New Jersey hard, some of the state's most prominent law firms have been finding ways to expand some practice areas and hire talented lawyers who have left top Manhattan firms.

A series of interviews with attorneys and legal human-resources professionals have painted a mixed picture of attorney hiring. Business layoffs and bankruptcies have led to additional work for some firms, causing them to cautiously add lateral hires and associates to pick up the work.

And while cuts to associate hiring and pay in big New York law firms — as well as the dissolution of **WolfBlock** — were the focus of attention early in the recession, there is a sense of cautious optimism among many interviewed.

Norris, McLaughlin & Marcus

Walter G. Reinhard, a partner with the Bridgewater firm, said the firm has been able to hire some lawyers that it may not have been able to add in a stronger economy, when New York firms would pay top-dollar for top law school graduates.

"We look for people who perhaps have been New York lawyers but who live in New Jersey," he said. "They're either getting out of the rat race or they're being asked to get out of the rat race."

Reinhard said his firm remains prepared to bring on both associates and lateral hires in its most consistent and fastest-growing practice areas, as employment-law cases and construction litigation have caused the firm to add attorneys, he said. The company merged with **Tallman, Hudders & Sorentino**, a 35-attorney firm in Allentown, Pa., last year.

Reinhard said some of the changes the firm has made during the recession, including increases in some practice areas, likely will be permanent. He added that the firm hasn't changed its compensation structure, including providing pay increases to associates.

Lindabury, McCormick, Eastabrook & Cooper P.C.

Michael F. Harrison, executive director of Westfield's Lindabury, said the recession brought some larger firms to make decisions on concerns that were already at the forefront of the field.

While Lindabury has weathered the recession with few changes, Harrison has followed changes at New York-based firms with interest. Reading headlines about larger law firms cutting back over the past year, Harrison saw issues being raised that were discussed while he was studying for an MBA in law office management at Stony Brook University.

Prior to the recession, the No. 1 concern for managing law firms was talent, Harrison said, including the high cost of attorney salaries and client concerns of having inexperienced associates working on cases. In the past year, large firms have cut associate pay and reduced the size of their associate classes. But he said Lindabury generally doesn't assign teams of associates to work on large assignments, so this wasn't an issue.

"We rode this out, I think, reasonably well," he said, though Harrison is cautious in looking forward, noting the economy remains uncertain.

The firm typically hires two or three associates annually; this year, it hired one, while another who was offered a position accepted a clerkship. "It was completely within the norm," Harrison said. Lindabury brought on a bankruptcy attorney in 2009, but the firm had been planning do that prior to the recession, he said.

Cole, Schotz, Meisel, Forman & Leonard P.A.

The Hackensack-based firm hasn't had to turn to sweeping layoffs to remain strong, though human resources director **Gayle Englert** said the firm did have to cut its staffing somewhat.

"Like most firms, we were taking a position of more proactive performance evaluations," Englert said. At the



Christina Mazza

Walter G. Reinhard says the economy enabled Norris, McLaughlin & Marcus to hire attorneys once too pricey to consider.

same time, the firm added six lawyers from **Saul Ewing** in 2008 and opened offices in Maryland and Delaware.

Cole Schotz attorney **Steven R. Klein**, the firm's hiring chair, said the firm's bankruptcy and litigation work has been strong, while employment-law cases have been steady. And with larger firms cutting back, "our eyes are open, especially now" to hiring talented attorneys, he said.

Cole Schotz also has joined the trend of reducing the number of associates, though the change has been subtle: After typically hiring five or six each September, it hired four each of the past two years, Englert said. "Our firm philosophy has been more carefully controlled growth," he said.

Cooper Levenson

Ken Calemno, chief operating officer of the Atlantic City firm, said he'd had difficulty finding qualified attorneys when the economy was in a better state six to 10 years ago. Now, with larger firms contracting, Cooper Levenson has benefited. "They're coming to us with a significant amount of experience, which in the past you didn't see," he said.

Calemno said the recession has had little effect on the firm, which has been careful in analyzing whether to hire — the entire hiring process for lateral hires can take as long as six months.

Greenbaum Rowe Smith & Davis

Partner **W. Raymond Felton** said

his firm has had to make few changes due to the recession, although it made a few hires in the second half of 2008 and throughout 2009.

"It's been very selective," Felton said of the four or five hires the firm, based in Woodbridge's Iselin section, has made in that time.

While one of Felton's firm's new hires specializes in bankruptcy — an area where the firm has had more work during the downturn — others will work on the litigation side of the business.

The firm didn't hire associates last September and will have two this fall, a time when the firm usually has four or five new hires, Felton said. However, the firm hasn't made changes in its compensation structure for associates. "We think our associates are paid fairly, and we still want to incentivize those who are here properly."

The firm is optimistic that the economy will improve, although it is more likely to occur in the second half of the year, Felton said.

Greenbaum also has seen an upswing in employment cases from recession-related layoffs, in addition to more bankruptcy cases, including creditors' rights, defending clients from wrongful-bankruptcy charges and insolvency counseling.

"We deal with both sides," he said. ♦

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