

## Taking their destiny into their own hands and starting a firm

By Roy Strom

**A**dam Witt said he can remember the moment in 2010 when “everything really became real” — when he finally felt committed to opening his own one-man law firm.

He just returned to Edgerton, Wis., his hometown of 5,454 people, after leaving Chicago with a law degree from The John Marshall Law School, but no job prospects.

Standing in a home he said he bought in a foreclosure sale for less than \$50,000 — complete with a view of Edgerton's city hall — Witt said his new reality became crystallized when he caught a glimpse of his home's original hardwood floor during remodeling.

He needed to turn his new home into his new law firm, he said, and carpeting didn't cut it for a professional setting.

“When they had put the original carpet down, the house had hardwood floors, but they spread glue over the entire surface of the floor,” Witt said.

“And we had torn up all the carpet, but the floors just had this, this glue all over them. ... And I'm finally living in the house and I'm thinking, ‘What the hell have I done?’ Because I have a house now. It's not like I can say, ‘Oh, I'll move to another city, see what the job prospects are like.’”

Job prospects in Illinois proved dire during Witt's final year in law school in 2009. Those who passed the bar exam outnumbered available full-time legal jobs by 1,679, says a study by Economic Modeling Specialists Inc.

Nationally, recent graduates find a similarly bleak outlook. Just 55 percent of 2011 law school graduates found full-time, long-term employment within nine months of graduation, the nonprofit group Law School Transparency reported in June.

With legal hiring hitting all-time lows during and in the wake of the worst economic decline since the Great Depression, more and more new lawyers find themselves in Witt's position: Locked out of traditional law firm jobs and deciding to start their careers as solo lawyers.

As Witt attests, it can come with sleepless nights. These lawyers must learn the nuts and bolts of how to practice law, something many attorneys say law school only touches on. At the same time, they must run a business. Law school, by its definition, gives no help on that.



Top: Peter Ciesielski, a 3L at The John Marshall Law School, paid attention during the Small Law Practice Management class at John Marshall on Oct. 3. Middle: Assistant Professor Cliff Scott-Rudnick listened to Cook County Circuit Judge Russell Hartigan (center) talk to the class with Michael Schlesinger, director of the Business Transactions Externship Program and an adjunct law professor, looking on from the right. Bottom: Joanne Eby, a 3L at John Marshall, wants to go into a small law practice after graduating law school. Photos by Ben Speckmann.

But law schools must now react to this trend. For example, John Marshall offers classes such as Small Law Practice Management, which teaches lawyers a mixture of business and legal skills. Students learn accounting, billing, spotting “red flag” clients and filing court documents.

IIT Chicago-Kent College of Law, another example, gives its fledgling solo lawyers office space to house their young firms and find access to mentors. These “incubators” have spread from a model in New York City to at least six other schools nationwide, says a study by Hanover Research.

Witt, who took the John Marshall class, said he started turning a profit recently, two years into his practice.

“It does feel good to finally have that little bit of profitability peeking through,” he said. “Part of it is vindication. I feel like I might actually be doing the right thing. Because I think that’s one of my biggest concerns, have I made the right decision?”

### **Taking the plunge**

Johnetta Paye, 34, said her interest in the law started as a 9-year-old. An attorney who helped her family immigrate to the U.S. from Liberia sparked her passion to make it her career.

Her legal interests eventually shifted from immigration law to entertainment law, she said. Still, she said she never thought her career would start the way it did after graduating from John Marshall in 2008.

“My plan was always to try to get a job working in-house, ultimately for some media or entertainment firm,” she said. “But I thought that would come through law firm experience first.”

It still may. The law firm experience on her resume reads: Owner, J. Paye & Associates.

In 2009, Paye added to the largest one-year jump in law school graduates starting their own firms since the 6.9 percent who did so in 1981 increased to 7.6 percent in 1982, says the National Association for Law Placement (NALP).

In 2008, 3.5 percent of graduates started their own firm, while 5.5 percent did so in 2009, the study says. And in 2011, the number increased to 6.1 percent, marking the largest percentage of law graduates going into solo practice since the same percentage hung a shingle in 1996.

Initially unsure whether to start her own firm, she got a nudge toward doing so from a

potential client who claimed that the rapper Soulja Boy stole his song lyrics and his steps to a dance called the “Bird Walk.”

On advice from her mentor, Paye said she took the case.

Or, at least, she said she took it as far as the young rapper’s bank account could take it, which meant not very far. She sent a demand letter and received a response before her client “decided he wanted to focus on writing new material,” she said.

With that case now gone and no money coming in, Paye said she was down to “literally my last dollar.”

“In that moment I just didn’t feel like I had any other alternatives,” Paye said. “And that’s why the fear didn’t hold me back. I just knew that I had to embrace it because there was no other choice.”

She typed an e-mail to her friends and family, announcing J. Paye & Associates’ birth in 2009.

“It just said, ‘Hey, I recently passed the bar exam and I’ve decided to go out there and start my own law practice. If you know anybody who needs legal services, here’s my phone number, here’s my e-mail. Get in touch,’” she said.

Without money for an office or just about anything else, Paye said she bartered to start her firm using her legal services as currency.

She traded her time for a \$3,000-a-month office. And in exchange for legal representation, a marketing professional told her “J. Paye” works better than “Johnetta Paye” as her law firm’s name because it rhymes and fits easier into a Web browser.

“I wasn’t really making that much money because a lot of it was giving my legal services to get stuff,” she said.

Now working out of an office on West Lake Street, Paye grew her firm from initially taking on cases that her startup e-mail produced to drafting contracts for recording artists and filing trademarks as she began focusing on entertainment and intellectual property law, Paye said. She also now represents clients in corporate transactions involving businesses in Africa.

Jennifer Guimond-Quigley, 35, went through a similar decision-making process as did her law school classmate Paye before she opened her own law firm, the Law Office of Jennifer Guimond-Quigley, in 2009.

She got a job as an associate at Kamerlink, Stark, McCormack & Powers in May 2009 be-

fore getting laid off in September that year.

“So at that point I had to sort of decide: Do I want to send out a bunch of resumes and get another firm job or try my hand at doing my own gig?” she said. “I felt comfortable with the amount of experience that I’d gotten that I could take on some things on my own, so I started doing that.”

Taking small family law matters she picked up via word-of-mouth and friends and family, she practiced out of her home, which required a minimal investment considering she already owned a computer. Today, she continues to focus her practice on family law, estate planning and some real estate transactions.

“There wasn’t desperation,” she said. “But there was certainly the anxiety of the unknown because for the first time I was having to market. I’ve never had to market in my jobs.”

### **Avoiding the ‘red flag’ clients**

Before Witt started his Edgerton, Wis., law practice, he said he made a promise to himself never to take a divorce case.

“And just about the first person through my door came in and said, ‘Adam, I’m looking for a divorce,’” Witt said. “And after swearing I would never do it, I actually took it.”

Witt said the divorce didn’t match his fears and he continues to counsel separating couples, sifting through the details and opting to take “the less messy” cases.

Witt, 30, said he spends 60 percent of his time working as a criminal defense attorney. The rest of his time splits between private litigation, estate planning and some family law work such as divorces and child support adjustments.

Witt and other solo lawyers said they often find themselves in a similar position: Taking on clients they never wanted because their bank account doesn’t permit choosiness.

“It’s the crazy client,” Witt said, describing “red flag” clients. “It’s the one who wants you to do estate planning and trust work on contingency. ... Normally if someone approaches a small law firm and they are unwilling to put any money upfront, there’s generally a problem with their cause of action to say the least.”

But a “beggars-can’t-be-choosers” mentality can spell trouble for young lawyers. Several lawyers interviewed said some clients try to take advantage of their inexperience by haggling

# Starting a Firm > feature

over rates, asking for free advice or delaying payment.

“When you literally are just starting out, I think you’re more likely to negotiate fees,” Guimond-Quigley said. “But that’s because either you negotiate your fee or you don’t have a client that week.”

Since young practices grow mostly via word-of-mouth, this situation only adds to the pressure to take on just about any client, she said.

But experience and a bigger book of business help to end the temptation to take on risky clients, said attorney Katherine A. Chamberlain.

Chamberlain started her firm in September 2011 after graduating from the University of Illinois College of Law in 2009 and gaining a master’s degree in library science in 2010.

After striking out on a job search in Chicago for legal librarian positions — which, she said, suffered right alongside the market for lawyers — Chamberlain moved to Princeton, Ill., to start her practice.

Her parents helped with the mortgage of a former law practice building (the former lawyer’s clients dispersed after he died two years prior).

Chamberlain said she markets herself as a general practice attorney, but focuses on family and estate planning, such as wills, guardianships and probate. She also handles some real estate matters, adding that she particularly enjoys closings.

“You always get paid at closing,” she said.

So far, she said she “will never regret practicing” law in the town of 7,581 — despite her initial interest in big city library work.

One of her early clients tested that position, though.

She said she always uses a very hard rule of “money upfront.”

But she ignored that rule for one case. A friend referred a client injured at work. The client didn’t know if her insurance, the company’s insurance or Medicare would cover the bill; she needed someone to find out.

Chamberlain eventually settled the matter. The company’s insurance plan covered the injury, saving the client thousands of dollars. But, for Chamberlain, there was one hitch. She didn’t make the client sign a client-attorney agreement, she said, leading to a teaching moment.

“Don’t do favors for people. Still treat every-

one as a formal client,” she said.

After handling the \$600 matter in February, Chamberlain said she received her final payment in October.

That amount of money can make a difference. In her first five months of practice she said she earned less than \$100 in net income.

“There should be an entire semester-long course on client counseling especially focused on ‘red flags,’” Chamberlain said.

## Changing the law school role

Chamberlain’s suggestion for a “red flag” law school course may not be an idle wish.

Law schools across the country responded to the growing number of attorneys like her who, without experience at an established law firm, never received traditional training on how to vet clients or any other practice-development skills law schools never before considered it their role to teach.

John Marshall started a class called Small Law Practice Management in fall 2010. So far, about 150 students took the class, learning how to run a solo or small law firm.

By the end of the class, each student develops a business plan for a law firm, said assistant professor Cliff Scott-Rudnick, who teaches the class with Cook County Circuit Judge Russell Hartigan.

Some do research on a practice area and city they want to work in, figuring out the demand for their services, he said. Past students — ranging from 20-year-olds to age 40-plus former investment bankers and chemists — create a plan to mesh their prior careers with their soon-to-be-acquired law degree, Scott-Rudnick said.

“We set it up as treating your law office as a business,” he said. “You get to take what you learn in law school and actually apply it in a real world way as a mature practicing lawyer.”

The students learn about debt management, how to acquire a loan, how to start a legal library and how to do the accounting work necessary to run a law firm, Scott-Rudnick said. About a quarter of the students say they want to start a solo or small firm straight out of law school, while another quarter express interest in going solo after learning the practice of law at another firm.

“What we’ve found over the years is that the

speakers (who address the class) almost to a person say I never had a business or marketing plan,” Scott-Rudnick said.

“But our students, having written the business and marketing plan, it gives them some focus and a way of measuring in a practical and aspirational way what they expect to have happen in practice and then verify it.”

Witt, the Wisconsin-based attorney, said the class addressed “the problem with law school” — that it teaches “only theory.”

“They explained the sorts of ‘red flags’ that you look for in a client,” he said. “And that has helped me more than just about anything else.”

Other law schools started incubators where new solo lawyers can hang a shingle under their law school’s roof.

IIT Chicago-Kent accepted applications in early October for its forthcoming incubator.

The school will offer five individual offices within its current building where recent graduates can start a law practice with professors down the hall, Westlaw and LexisNexis on subscription and no rent due at the end of the month, said Dawn Young, director of institutional projects at the school.

The program grew out of an understanding that “it’s very difficult out there” for law graduates, but, Young said the school also wants to pick students passionate about running a solo firm.

“We’re looking for people who are serious about it,” Young said. “Not just people who have looked for months and couldn’t find a job at big law, although that could be the case.”

The IIT Chicago-Kent program partly modeled itself off of what many call the original incubator at City University of New York School of Law, which climbed to No. 3 last year in the *U.S. News & World Report* clinical rankings.

Fred Rooney, director of CUNY School of Law’s Community Legal Resource Network, said his phone rings about twice a month with law schools looking to pick his brain on how to run an incubator.

“It was a fairly revolutionary concept that law school should not end when a student graduates and walks across the stage,” Rooney said.

Toward that end, the incubator model may prove only the beginning for law schools looking to provide innovative ways for their students to learn the nuts and bolts of practicing law, Rooney said.

"In med school, you really can't handle a client on your own until you've gone through internship and residency," he said. "We've got three years of law school, and if you're lucky enough, smart enough to pass the bar, with absolutely no experience you can represent clients."

### **Seeking success through mentors**

Since these law school programs did not exist for many recent solo firm creators, they rely on mentors to help them learn the practice and business of law.

Paye, who started her solo firm in 2009, said Bill McGrath, a partner at McGrath Davis, proved vital to her young career after he taught her at John Marshall.

She said he gave her the courage to take on the Soulja Boy case, which made her comfortable with a series of other cases against large, corporate opponents.

For instance, she represented an architect who works in her building when he sued JP-Morgan Chase & Co. over delinquent pay for his work. That case matched her against a partner from Freeborn & Peters, a law firm of about 120 lawyers, Paye said.

"He definitely gave me a run for my money," she said. "But him being hard on me and doing what he was supposed to do helped me to really learn what it means to be a lawyer: motion practice, all the behind-the-scenes conversations. It definitely helped me to grow."

It also helped her bottom line. The case eventually settled, Paye said, leading to a payday that allowed her firm to turn its first profit during its second year of operation. She remains uncertain, however, if she will make money this year.

Guimond-Quigley, the family law attorney in Chicago, said she finds advice through a biweekly meeting with a group she formed of 13 solo attorneys.

"We refer client matters to each other, address legal and ethical questions as a group and share ideas and resources that are specific to solo practitioners," she said.

That group helped her with referrals as she sought to focus more on family law and avoid taking cases in other practice areas, she said. Although it took time to develop those relationships and see her other forms of marketing pay off, she said she learned a new side of herself while she waited.

"I'd never had to market myself in any way, shape or form in my other professional positions," she said. "And having my own practice has taught me that not only do I need to do that, but I feel like I've been able to do that to a pretty good extent. And I didn't know that about myself."

Witt said one of the best results of the class he took at John Marshall came when Scott-Rudnick introduced him to a mentor in Edgerton, Wis.

Scott-Rudnick said he knew an attorney who practices in the area when he heard Witt

wanted to open a practice there. So, he called the lawyer and set up a meeting, something he said he does with not only his own students, but just about anyone interested in going solo.

Witt said the meeting helped answer the question he still asks himself: Was going solo the right choice?

"I asked him point blank if he thought that somebody hanging their shingle in Edgerton could make a go of it, and he told me it wouldn't necessarily be easy, but if I applied myself I would be able to do it," Witt said.

Applying yourself takes on a bit of a different meaning in a small town, he said.

For instance, he said advertising at an Edgerton tavern turned into "the best advertising I ever did."

"A bartender was complaining about how people come in and they tell her all of their legal problems," Witt said. "And so I said, 'Well I'm a lawyer, will you pass out my business cards?' And she said, 'Yeah. We can do that.'"

And they did. It worked so well that people in town started referring friends to the bar to get Witt's business cards, he said. And even after the bar closed, he said he still gets referrals from the cards the bartender passed out.

"It was something I was a little uncomfortable doing at first," Witt said. "But I thought, 'Go to where the clients are.' ... and I ended up doing some fairly rewarding work." ■

**rstrom@lbpc.com**