

Deep undercover inside America's largest law firms.

October 18, 2010

## BigLaw: BigLaw: Escape From the AmLaw 100: A Commercial Real Estate Lawyer Goes Solo

By [Liz Kurtz](#)

Picture, if you will — a struggling economy (like, oh, the one we've confronted for the past two years), a practice area that has been battered by the economic tides (let's call it "commercial real estate"), and the kind of national mega-firm where top partner billing rates hover somewhere between \$750 and \$1,000 an hour (say, for example, Latham & Watkins, the third largest law firm by revenue according to the 2010 AmLaw 100).

Now picture a partner at such a firm, whose commercial real estate practice has continued and survived despite a volatile market and epic downturn. If you could flip ahead in this story, you would find this partner battering down the hatches, snuggling into the warm embrace of the large firm where he practices, and waiting for the tough times to pass, safe in the knowledge that he is largely insulated from the day-to-day struggle faced by his counterparts in the cold, hard world of solo practice. Right? Wrong.

### Why Jump From BigLaw Success to Solo Practice?

If that practitioner were Joshua Stein — who happens to be the hero of this particular tale and one of the leading commercial real estate lawyers in the United States — you would find him in a newly appointed office suite in midtown Manhattan — alone. Or virtually alone. In August 2010, Stein left Latham & Watkins to form [Joshua Stein PLLC](#), a one-man practice that he manages singlehandedly, in what he calls "efficient solitude."

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Specifically, unlike the mega-firm he left behind (which employs thousands), Stein has chosen the more traditional superhero route, with a modern twist: he has taken on one trusty administrative sidekick, but she is not an on-site secretary, or even a constant presence. Instead, he hired an hourly virtual assistant who works from Redmond, Washington, and with whom he communicates almost exclusively by email and file sharing. "I think we've spoken four times," he says.

So, why leave the security of an established practice at a venerable firm now, and strike out in an unpredictable economy and a wretched commercial real estate market? Perhaps more importantly, if you're bold enough to strike out on your own in such inhospitable conditions, how do you make it work? Well, as a preliminary matter, Stein is clearly not a bitter ex-partner, and has no unkind words for Latham & Watkins. Rather, his departure and his strategy for life as a solo practitioner start from a few basics — freedom, flexibility, and simplicity.

One issue, he explains, is that billing rates at many large law firms have escalated to a level that clients find problematic, though not necessarily because of the high cost of partners' time. The larger point of resistance, says Stein, seems to be associate time, which — at large firms — clients often regard as both overly expensive and inefficient.

As a solo practitioner, Stein enjoys the freedom to bill his clients for completed projects or on any other basis that makes sense, rather than just quantity of hours. Although his billing rate still reflects his years of experience and expertise, he has flexibility thanks to dramatically lower overhead and the autonomy of making (and living with) his own financial decisions, with no need to obtain any approval from any committee. We refer to lawyers like Stein as "[BigSolos](#)".

So far, his formula is working. "From a client's perspective," he explains, "it's often a good deal to pay more for someone who has lots of experience and really knows what they're doing," rather than inexperienced associates.

Stein also enjoys the freedom to work on any matters that suit him, including some that are not necessarily a good fit at big firms. For example, he says, expert witness work and certain kinds of transactions can be difficult to take on as a biglaw partner, whether because of the potential conflicts or economic realities they present. At his new practice, Stein can focus on the work he enjoys, unburdened by the fear that a small but very interesting matter will present a conflict for the next mega-deal to come down the pike, or that his views on a particular issue (as an expert or a commenter in the press) will come back to haunt him, his clients, or his partners.

### **New Technology Powers Stein's New Law Firm**

When it came to setting up his new practice, Stein truly appreciated the "freedom and simplicity" of the solo life. He says that he toyed with the idea of not renting office space at all, but ultimately decided that clients

are "very interested" in knowing that their attorney has a physical office, and less thrilled about "using someone who works out of their bedroom."

After securing office space, his first priority was "pushing the use of computers as far as I could." Always an early adopter, Stein has made technology an integral part of his practice since the early 1980s. Earlier this year, he [published an article in TechnoLawyer](#) in which he shared his favorite software and Web sites

In his new practice, he not only embraces technology, but says that he "really enjoys being my own technology department." He has outfitted his office with 6 or 7 computers ("so far," he adds, like any good tech-junkie), and moved his document management to the cloud with [NetDocuments](#), about which he offers high praise. "It has much the same functionality as [Interwoven](#)," he says, "but without the need for care and feeding that comes along with a software-based system." Moreover, it suits the flexibility of Stein's new, nimble way of practicing, which calls for the occasional use of additional staff, and makes it "incredibly easy for me — and anyone I work with — to access my documents online, while also keeping everything totally private and secure."

### **Hourly Billing Without the Usual Accoutrements**

As for billing, Stein says that, while he is "open" to alternative practices, such as flat fees, volume discounts, or monthly retainers for certain clients (for work within a carefully defined scope), he often returns to the "logic of the billable hour." At the end of the day, he reflects, the unequal incentives inherent in both flat fees and hourly billing make them imperfect systems, "parts of which always create concerns for one of the parties." But, he adds, "there is a lot of power in hourly billing at a rate that reflects high quality partner time," which is what he delivers — in streamlined form — to his clients. He does not charge for expense disbursements such as copies, telephone calls, and secretarial time; uses contract attorneys only when a need arises; and does not employ a paralegal.

This minimal approach to staffing has given Stein the opportunity to handle a wide range of projects, with a level of autonomy that he finds refreshing after years as part of a large institution. The change, apparently, suits him. From planning a recent open house at his new office to interacting with the press, he speaks with palpable relish about the freedom of being his own boss.

Indeed, Stein even had a hand in designing his own logo — a Warhol-esque burst of colored skyscrapers, which looks more like the stylized graphic you'd expect from a high-end architectural firm, and less like the tired images of pillars, scales, and serious-looking attorneys carrying briefcases that adorn many law firm marketing materials. It may be a small touch, but it is, perhaps, another symbol of the fresh approach to practicing law that Stein, and others like him can adopt after years in biglaw.

"This is not for everyone," Stein says, "but for the most part, it's allowing me to focus on what I really like. I was worried that I might be lonely without other people around, but truthfully ... I find that I'm usually too lost in my work to notice."

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