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[Back to Article](#)

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## BuckleySandler picked up pace, headcount

Jeff Jeffrey

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Twelve months ago, many lawyers were in hunker-down mode, happy to have jobs. When Andrew Sandler chose that moment to leave the relative safety of a firm as well-established — and well-paying — as Skadden, Arps, Slate, Meagher & Flom after 22 years, he raised more than a few eyebrows.

"When I left Skadden, I was looking to leave a battleship for a speedboat that was much more nimble and flexible," Sandler said.

The speedboat has moved fast. Since Sandler and 14 other lawyers jumped from Skadden to join what was then Buckley Kolar in March 2009, the 35-lawyer shop has grown to about 75 lawyers in Washington, New York and Los Angeles. Sandler said the renamed BuckleySandler is looking to reach 120 lawyers across the three offices. The firm has been hiring for its securities enforcement, white-collar defense and bank formation practices.

And still, Sandler said, the firm hasn't been able to keep up with client work. He would like BuckleySandler's lawyers to bill at a busy but not overwhelming pace of 1,800 hours a year. While partners and counsel are generally hitting that mark, associates are billing at a 2,000-hour rate, Sandler said. "We're constantly staffing the last case," he said. The firm has handled the workload, he said, "by using staff attorneys and hiring aggressively."

The question is when or if the line between rapid but well-managed growth and out-of-control speed is crossed. For a midsize firm focusing on big corporate clients, the mantra must be high-quality services at a significantly lower cost, said Avery Ellis, chief operating officer of legal recruiter Mestel & Co. "They're going to be competing against some of the biggest and best firms out there, including Skadden," Ellis said. "Developing a brand that means something to clients' boards of directors can be difficult."

Sandler agrees. "We did worry about clients not bringing large matters to us because we weren't at Skadden anymore," he said. But so far "that hasn't happened."

### A GROWTH STRATEGY

Shortly after President Barack Obama's inauguration last year, Sandler and longtime colleague Benjamin Klubes began asking around about what to expect when starting a new firm. They sought advice from, among others, Jeremiah Buckley, who took a group of 15 lawyers from Goodwin Procter to open financial services boutique Buckley Kolar in 2004.

"I told them I had a better idea. Why not join our firm?" said Buckley.

Two months later, Sandler and Klubes jumped, bringing with them 13 other lawyers and their books of business. Sandler, who was head of Skadden's consumer financial services enforcement and litigation practice, and his original team focus primarily on litigation and enforcement matters for the financial services industry, while the former Buckley Kolar lawyers specialize in transactional and regulatory work.

Sandler became co-chairman along with Buckley. Klubes serves as co-managing partner with John Kromer, who was with Buckley Kolar. Buckley said Joseph Kolar opted to let Sandler take his place on the letterhead because it was a "good selling point for the firm."

After the arrival of the Skadden lawyers, the firm put out the word that it was hiring and, according to Buckley, the résumés started to roll in. "A lot of lawyers were excited by the fact that we were expanding while other firms were retracting. And they liked the idea of a small firm where they could get to know all of the people they work with," Buckley said. The firm has not used a headhunter for its lateral hires, he added.

BuckleySandler now has 15 equity and four nonequity partners, 15 counsel and of counsel, 28 associates and 14 staff attorneys.

Among the more notable hires, the firm in June brought on Stephen Ambrose Jr., former general counsel of General Electric Capital Corp.'s consumer finance unit, to head its New York office, which now has two lawyers

and will be adding a third this summer when litigation partner Matthew Previn moves there. The goal for the New York and Los Angeles offices is 20 lawyers in each city, Sandler said.

Also in June, the Washington office picked up counsel Robert Cook, the former executive vice president and deputy general counsel of Countrywide Financial Corp.

The hiring has continued in the first three months of this year. In January, the Washington office added banking specialists David Baris and Noel Gruber from Kennedy & Baris and Lori Sommerfield from Wells Fargo & Co. Last week the firm picked up litigation partner Donna Wilson from Kelley Drye & Warren.

In February, BuckleySandler made its highest-profile hire in Samuel Buffone, the former co-chairman of Ropes & Gray's government enforcement practice group. Last year Buffone scored a victory in the U.S. Supreme Court case Yeager v. U.S., which barred further prosecution of former Enron executive F. Scott Yeager on double jeopardy grounds.

Sandler said the firm did not set out to grow quite so quickly, but with the banking industry in shambles after the subprime mortgage crisis, BuckleySandler saw a surge in potential clients. The firm is currently counseling the trustee overseeing the liquidation of IndyMac Bancorp Inc., one of the largest bank failures in U.S. history. It's representing Advanta Bank in a suit challenging an enforcement order from the Federal Deposit Insurance Corp. And it also represents Wells Fargo, Bank of America Corp., American Express Co., The Royal Bank of Scotland Group PLC and Morgan Stanley, all of which made the move with the group from Skadden, Sandler said.

According to Buckley, litigation and enforcement work have grown to comprise about 60% of the firm's workload. "Our traditional regulatory and transactional practices were strong last year. But litigation and enforcement were the primary drivers of business," he said.

The firm declined to provide revenue numbers, although Sandler said, "In terms of profits per partner, everyone here is making more than they have ever made before." He added that the firm expects to see its first success-based payment come in next year.

One legal consultant, who requested anonymity when speaking about a firm's profitability, estimated that these days "a high-quality financial services boutique law firm," using alternative fee arrangements and based in Washington, could be making revenue per lawyer of between \$800,000 and \$900,000. Sandler declined to comment on those numbers.

## **FUTURE STABILITY**

The biggest challenge for the firm, Sandler said, has been accommodating the explosion in headcount. "We've had lawyers working in conference rooms and libraries," he said. But he insisted that the temporary crowding has "actually been a pretty good team-building exercise."

Nonetheless, the firm is expanding its space in Washington. Next month, it will finish renovations on a second floor.

Adding to an existing firm has at least saved BuckleySandler the hassles of building an administrative infrastructure from scratch. Klubes said the firm has invested heavily in information technology.

More strategically, a midsize boutique has to worry whether its practices are too narrowly focused. "If...they don't have the countercyclical practices to balance it out, they can get slaughtered," said Ellis, the legal recruiter.

Sandler said he isn't worried about that. "There has been some consolidation in the [financial services] industry, sure. But there are still several thousands of banks out there who will need work done, and that's plenty enough to keep us busy."

So what keeps him up at night? Not letting the lure of more work drive too much growth. Staying small, Sandler said, allows everyone to feel that they "have ownership in the firm."

*Jeff Jeffrey can be contacted at [jjjeffrey@alm.com](mailto:jjjeffrey@alm.com).*