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WEEKLY

SPLITSVILLE *Pace of law firm breakups accelerates*

BY HEATHER COLE
heather.cole@molawyersmedia.com

Two years after making partner at Langdon & Emison, Rob Sullivan couldn't see a way to advance.

"I was always going to be behind the two older partners," he said.

Sullivan, 40, figured the only way he could have more of a stake was to get out of the firm. So he did, along with three Langdon & Emison associates. They joined with Jose Bautista as name partners in a new Kansas City plaintiffs' firm — Sullivan, Bautista, Morgan, Allen & Chronic. Three attorneys were left at Langdon & Emison, which since has hired three more.

The July law firm split was the fifth Missouri Lawyers Media has reported since November. That compares to two reported in the previous 12 months.

The timing of the splits, which left the old firms with drops in attorney headcount ranging from 22 percent to 57 percent, coincided with the banking, sub-prime mortgage and other financial crises. Four of the splits came in practice areas that had been affected by the recession, GM and Chrysler bankruptcies or Missouri tort reform.

A bad economy doesn't account for or cause breakups, but it does accelerate them, said John Olmstead, president of legal management consulting firm Olmstead & Associates.

"Law firms are all about money," Olmstead said. "When it gets tight, it forces decisions they've thought about in the past."

But small firms like the five that split in the last nine months aren't getting hit as hard as the big firms, Olmstead said.

And if economic factors played a role in the splits, most of the firms didn't admit it.

Only one lawyer — Paul Passanante — alluded to a downturn in his practice area as a reason for his exit. Passanante left St. Louis plaintiffs' firm Simon Passanante in December, with three other lawyers, after nine years with John Simon at the firm.

In a statement released at the time, Passanante said he still wanted to specialize exclusively on personal injury and wrongful death claims, even though tort reform might make them less lucrative. The number of wrongful death and medical malpractice lawsuits filed in Missouri has dropped since tort reform took effect in August 2005, because of caps on noneconomic damage awards.

"I may make less money, but my new firm will be lean, mean and focused on quality legal representation," Passanante said in the statement.

In an e-mailed response to a reporter's phone call, Passanante declined to comment on the reasons he left.

Langdon & Emison has an automotive defect practice area, and the GM and Chrysler bankruptcies have affected a couple of its cases. But business at the personal injury firm has never been better, Bob Langdon said.

Sullivan said he wasn't poorly compensated at the firm, but he wanted more of a say in running it.

"Most law firm breakups are about the financial aspect eventually," Sullivan said. "You get to the point where you're doing a certain amount of work and getting a certain amount of results, and you feel like you want a bigger cut of it."

Sullivan, Bautista has tried to carry over the



▲ Partner Rob Sullivan and three associates left Langdon & Emison to join with attorney Jose Bautista to form their own firm, Sullivan, Bautista, Morgan, Allen & Chronic. Sullivan stands in what will be his firm's new office space at 1600 Baltimore in downtown Kansas City. Photo by Matt Frye

national practice that Langdon & Emison has, which means Missouri tort reform doesn't have as much of an effect on its business, Sullivan said. In any case, the car accident, railroad and other personal injury cases Sullivan, Bautista handles are mostly affected only by restrictions on venue.

The economy played at least a small role in another split — the exit of five attorneys from what is now Brown & Ruprecht. The Kansas City firm focuses on commercial litigation and construction law, and two of the attorneys who left have banking clients and were running into conflicts with companies that are restructuring.

The exiting attorneys started Dunn & Davison. The main reason given for its formation was partner Brian Dunn's eagerness to work with his close friends from law school.

Beyond the economy, real estate can play a big role in the timing of a split. When a lease ends, it can be a good time to reach an agreement,

Olmstead said.

An equity partner can be bound to a firm if he has guaranteed the lease, said Jim Reinert, who left Clayton firm Carmody MacDonald in May with eight other medical malpractice defense attorneys.

Reinert recalled one equity partner's decision to leave a different, unidentified firm with several other attorneys.

"The firm said, 'Great. You're personally responsible for continuing to pay overhead,'" Reinert said. "It would have been something like \$40,000 a month. That was one split that did not occur."

Reinert's new firm, Gonnerman, Reinert & Cantalin, dealt with lease obligations by subletting a floor from Carmody MacDonald.

That sort of arrangement can only work if a split is amicable, Olmstead said. Reinert agreed.

"If there was tension, I couldn't imagine the situation," Reinert said. **MO**

LAW FIRM SPLITS

NO. OF ATTORNEYS WHO LEFT	FROM	NEW FIRM
9	Carmody MacDonald	Gonnerman, Reinert & Cantalin
5	Brown & Dunn*	Dunn & Davison
4	Langdon & Emison	Sullivan, Bautista, Morgan, Allen & Chronic
4	Simon Passanante*	Paul J. Passanante & Associates
3	Green Jacobson & Butsch*	Butsch Simeri Fields

*Now Brown & Ruprecht, The Simon Law Firm and Green Jacobson
SOURCE: Missouri Lawyers Media archives