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LAW FIRM BUSINESS

Building a Firm

Inspired by a best-selling book, Jonathan D. Joseph left a large firm for his own San Francisco shop, which represents financial institutions and its directors in what is now Joseph & Cohen PC.

By Dominic Fracassa
Daily Journal Staff Writer

SAN FRANCISCO — In 2005, after spending 25 years as a financial services attorney at a handful of multinational law firms, Jonathan D. Joseph found himself dissatisfied and restless for a change of pace.

It was around that time that he picked up a book by New York Times columnist and author Thomas Friedman entitled, “The World Is Flat: A Brief History of the Twenty-First Century.” The book, which chronicles how globalization and advances in technology have helped to shape the course of modern history, proved to be a catalyst for Joseph’s move away from the mega-firm lifestyle.

In the context of practicing law, the book supported the idea that a small boutique firm could do top-notch work by marrying the efficiencies of technology with skills borne out of real-world experience.

“That doesn’t sound like a huge revelation, but putting together the huge dissatisfaction with the big firm model and a realization that technology had leveled the playing field, it made it much easier for me to step out on my own, which I did in January of 2006 from what is now K&L Gates LLP,” Joseph said.

Equipped with two-and-a-half decades worth of contacts, clients and expertise in the world of finance law, Joseph started the solo venture Joseph Law Corp. and spent the next four years primarily helping banks, credit unions and private equity funds with regulatory and transactional work.

After four years of going it alone, Joseph reconnected with Jonathan M. Cohen, a former K&L Gates colleague and veteran business litigator, and the two quickly built a lucrative practice representing directors and officers of failed California banks who found themselves subject to shareholder lawsuits and enforcement actions by the Federal Deposit Insurance Corp. during the aftermath of the nation’s banking and financial crises.

“Already in 2010, I think there were 150 to 200 bank failures from June 2008,” Joseph said. “We represented officers or directors from a fairly large number of the banks that had failed in California up

to that point.”

Some of the work during the firm’s early days included representing bank executives at Pasadena-based IndyMac Bancorp Inc. and United Commercial Bank in San Francisco. Last year, the firm also managed to help settle a \$42 million lawsuit brought by the FDIC against the five most senior officers of County Bank of Merced over allegations of fund mismanagement.

The firm rebranded as Joseph & Cohen PC in 2011 and the partnership began its work in earnest, expanding quickly to accommodate a growing volume of referral work.

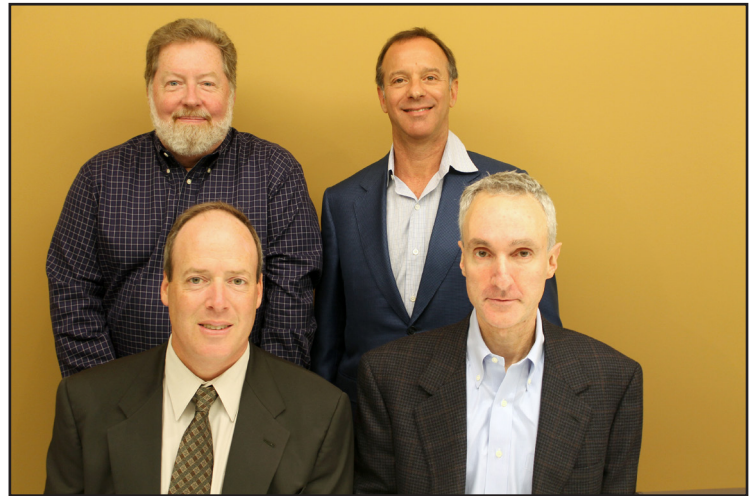
Thanks to the partners’ longstanding and extensive professional networks, the firm brought on Kenneth Sayre-Peterson as a partner last year following his retirement from the California Department of Financial Institutions. Insolvency and business restructuring specialist David A. Honig came on in May to round out the list of partners, adding yet another dimension of financial services expertise to Joseph & Cohen’s still-growing service repertoire. Of counsel Marie F. Hogan has also been with the firm since 2011, bringing the total number of attorneys to five.

Today, the firm collaborates on work for an expansive set of clientele that includes depository institutions, money transmitter businesses, venture capital funds, private equity firms, technology companies and bankruptcy trustees. Taken together, the partners’ combined experience allows them to tackle anything from bank merger and acquisition work and public and private stock offerings to advising boards and counseling on securities regulations.

Honig said making an effort to network out of one’s comfort zone has been essential to expanding the firm’s business base.

“It’s not enough to have contacts with people who do exactly the same thing. You’ve got to have and develop contacts with people who do very different things. That’s what creates opportunities for cross-pollination, referrals and ultimately, better client service,” he said.

Marc Schneidman has been a client of Joseph’s for more than 15 years. The managing partner of San Francisco-based life sciences investment fund Aquilo Capital Management, Schneidman said he chooses to stick with Joseph because of his acumen



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Attorneys at Joseph & Cohen PC include, clockwise from top left, Kenneth Sayre-Peterson, Jonathan D. Joseph, David A. Honig and Jonathan M. Cohen

on both legal and business issues.

“We’ve worked with the biggest firms in the country, but what makes Jon special is the breadth and depth of experience,” Scheidman said. “He’s able to differentiate between legal and business issues and help determine what issues are paramount to getting a deal done... and I attribute that to his experience in a lot of different areas of law and types of transactions and issues.”

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Through it all, technology has remained the tent pole around which Joseph says the firm has stayed competitive with its larger counterparts. The secret has been finding a way to outsource as much billing and accounting work as possible while effectively scaling down many of the processes typically seen at larger firms, like using technology to communicate with clients and collaborate with one another.

As an example, Joseph said the firm uses the law firm billing software Clio and has an independent contractor prepare the actual invoices. Cutting down on the time spent on administrative tasks, he said,

translates to lower costs for clients.

“It takes some work via outsourcing, it takes some research and it takes some trying, but between VoIP and cloud-based systems and good sync and good outsource providers, we’ve managed to basically replicate what we all came from in a large firm or government environment in terms of the ability to get to real client service without a whole lot of additional infrastructure,” Cohen said.

Technology also helps the firm maintain a sense of transparency with clients, giving them a better sense of where costs come from, something that has helped foster healthy and more sustainable relationships.

“We have high tech clients, and they like the ability to hop on a Web-X meeting, and the ability to collaborate on documents in a document repository,” Cohen said. “We use whatever technology they’re comfortable using. We have the ability to adapt and implement immediately.”

While technology has streamlined Joseph & Cohen’s work and enabled it to cut costs, the decades worth of experience that each attorney brings to the table serves as the foundation for the firm’s success and growth.

“Creativity, and the ability to work dynamically in situations that challenge your specific experience — that’s something that can be learned, but it can’t be taught,” Honig said.