

## DEALS & DEALMAKERS

### *Veteran lawyer thinks big as he branches out alone*

BY DANUEL GEIGER

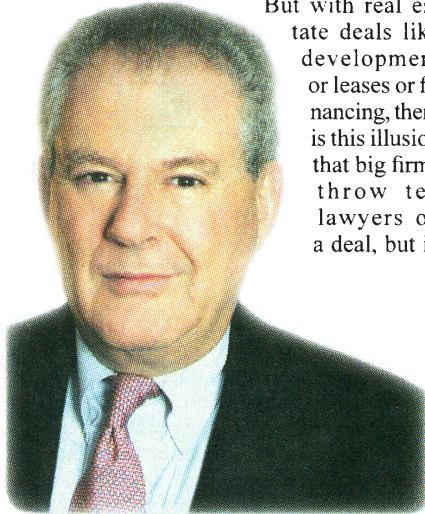
At a time when even veteran lawyers might have been glad to have just made it through the ruthless downsizing that gripped the legal industry during the recession, Joshua Stein, an attorney who left the large law firm Latham & Watkins last year, had a different idea.

Like other sectors, legal work is on the rise. Yet the industry's resurgence hasn't been sustained enough to drive the kinds of profits that would spark a sustained restaffing just yet.

Stein, who spent 20 years at Latham rising to become one of the firm's leading transactional real estate attorneys, saw it as the perfect opportunity to go out on his own. He would have the rising tide of the economy to help lift his boutique practice and also a pool of available talent to draw on in order to help him handle the work, just as he had called on junior lawyers for support when needed at Latham.

"Real estate work is scalable," Stein said. "If you're doing M&A transactions then yes you need a huge firm with a lot of lawyers.

But with real estate deals like development or leases or financing, there is this illusion that big firms throw ten lawyers on a deal, but in



reality they'll put two or three people on it. I came to the point where I realized I had the relationships and experience to do this on my own with a lot fewer constraints."

Take the eight computer screens positioned around Stein's desk. Stein, who describes himself as a techie, said he would have needed special authorization to have this kind of elaborate setup at Latham, or any other major firm — if it would have been permitted at all.

"There's a standard computer installation and if you want more you have to go to someone and ask for it," Stein said. "Think about it, if you are a large global operation with 5,000 computers and a help desk that is open 24 hours seven days a week, you want to know that everyone is doing the exact same thing, so I understand why the rules are there. But I like the flexibility that comes with making my own decisions."

Behind the prestige of a big law firm hides a mountains of reports, internal hierarchies, and sticky client conflict issues that can preclude or interfere with the work its lawyers are able to do.

"At any big firm you're being reviewed and reviewing people, filling out monthly reports that you're supposed to make, it's a necessary way of managing a big law firm; all the years I spent at Latham were like a graduate level, 20 year course on how to manage a law firm and I use what I learned there every day running this little kingdom," Stein said, referring to his own practice.

"But the amount of stuff that you had to do that isn't practicing law was a lot. I guess I was looking at this point in my career for a simpler and more direct relationship with clients."

Stein, who has developed a roster of clients internationally and a busy practice structuring development deals and handling, leasing, finance, and hotel transactions said that when he left Latham, he knew that he wanted to start his own firm.

"I got calls, firms that wanted to beef up their practice, but I committed to doing this," Stein said. "One of the keys to success is you make up your mind, then you go do it and you give it a pretty serious attempt. You don't do it with the mindset that this is a temporary measure. I signed a five year lease, this is what I'm going to be doing and based on how much

I enjoy it and how successful it's gone so far, I think that this is what I'm going to be doing for a lot longer than that."

Last summer Stein opened his firm, Joshua Stein PLLC, in a modest office on East 54th Street. His space, in a boutique building huddled in the shadows of towering skyscrapers all around, has a homey feel and room for extra staff. In a conference room a lawyer who Stein hired part time is poring over documents and in a rear office two others are working on transactions.

Stein says that he is in the middle of handling the legal work for a land acquisition deal with over \$50 million of construction financing for a project in Manhattan that he said he couldn't identify because of client confidentiality issues. In the boroughs he has been hired to be the attorney for a developer who is building a \$75 million distribution facility. On the west coast, he says that he recently worked on a \$30 million mezzanine loan for the owner of an office building. He was also an expert witness for two clients, both of whose cases reached a favorable outcome.

"If you asked me in 2008 would I expect to be doing a normal mix of deals, not in a billion years," Stein said. "I mean I'm probably in the middle of ten active projects, most of which are substantial. Everyone thought the world was ending during the financial crisis but two, three years later, a sense of normalcy has returned. The speed of the turnaround has been incredible."

Among the chief pathways of business development for Stein's burgeoning private practice have been client referrals and recommendations from fellow attorneys. Here again Stein saw a powerful advantage to having his own firm.

"Lawyers who I know will encourage a client to use me for real estate work because they know I'm not a giant practice who's going to try to take over all areas of that client's legal work and essentially take that lawyer's business away," Stein said.

"I am thrilled. I don't want to jinx it. I'm still just getting started, but so far so good."