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Lawyer Francesca Van Buren, an attorney specializing in sports and entertainment law, prepares for a case in the law library of Lewis and Roca LLP's office in Las Vegas.



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Lawyer Linda Marie Norcross, a specialist in trademark law, works from her Lewis and Roca office. Observers see law firms continuing to adjust to the economic downturn.

Once **expanding** legal community begins to **contract** with economy

***Editor's Note:** Following this week's cover story, the Business Press unveils its picks for the Top 10 Lawyers of Southern Nevada's business community, those who represent clients in all areas of business law — from labor to intellectual property and bankruptcy to construction law. This year's choices were made through a vigorous culling of sources both inside and outside the area's close-knit legal community. Many of last year's choices remained strong candidates, but were not considered for this honor. Others clearly deserved mention; thus, this year we added an Honorable Mention award for each legal niche except for the Elder Statesman category. Thanks go out to all those who contributed to this year's selections. And congratulations are in order to all our honorees. You represent the best and the brightest of your profession.*

BY VALERIE MILLER

Perhaps a crystal ball is needed to try to figure out where the economy is headed next, but local attorneys are taking their own stab at predicting the future of the legal community: Cost cutting is likely to continue, billable hours may wane in popularity and lawyers could earn less this year and next.

Gone are the days, at least for now, of law conglomerates coming into Las Vegas and throwing cash at local firms to induce a merger. That very recent era of opulence will be replaced by more downsizing and frugality. A client going into one of the newer, no-frills startup law offices may be directed to a stack of Dixie cups and the water cooler rather than receiving a brand-name beverage.

The upside is often lower rates. A storefront location with few trimmings often translates into lesser fees than a palatial business suite filled with expensive fixtures. Law firms will have to analyze their clients' priorities and particular tastes, said Mark Tratos, managing partner of Greenberg Traurig. His Las Vegas office of the national firm reflects upscale tastes in decor and artwork.

"One strategy is to be lean and mean, no decor, and you operate by keeping costs down," he said. "The other attitude is the very top end. Clients

expect you to meet them in the lobby with coffee in a cup."

Neal Klegerman, whose firm Coppedge Emmel & Klegerman was formed last month by three former Kummer Kaempfer Bonner Renshaw & Ferrario attorneys, knows all about minimalism. His new firm on Fort Apache Road was opened using a sparse 1,600 square feet in an office park, with only three lawyers and no support staff.

Getting rid of the "legacy" or overhead costs allows Klegerman to charge less than large law firms, he said.

"We are for people who want high-quality legal services but don't want to pay for a cup of latte or all the fancy trappings."

AFTER HOURS

The long-held practice of billable hours is expected to give way to an increased number of negotiated fee agreements. Law firms are already starting to compete by offering alternatives to traditional billing, said Paul Hejmanowski, the managing partner of Lionel Sawyer & Collins.

"I think you will see real pressure on billable hours. It will decline as a way to measure the cost of service," he said. "There will be real pressure on (driving) downward rates."

Lionel Sawyer & Collins, which typically raises rates annually, has frozen its fees this year. Santoro Driggs Walch Kearney Holley & Thompson didn't

freeze rates but opted for a small rate increase, said Ron Thompson, the firm's managing partner. But any rate increase at this point may be counter to the trend.

"A lot of firms have frozen rates at this point," Thompson said.

Tratos expects more "blended hours," when multiple lawyers from one firm work on a case. The highest-paid of those attorneys will often reduce their hourly rates. The popularity of flat fees is also expected to rise. Hejmanowski and Tratos both see "pay what it is worth" arrangements gaining in popularity.

"You will see a reduced hourly rate but a guaranteed bonus based on success," Tratos said.

LAYOFFS TO CONTINUE AT ALL LEVELS

Reductions in force have not stopped, but are unlikely to again reach the level of Kummer Kaempfer Bonner Renshaw & Ferrario's 16 layoffs — including nine attorney cuts — in March, many attorneys said. The next round of law firm reductions in force, or RIFs, may affect some unlikely people.

"If the market trends continue, I would expect that they would go after the higher-paid lawyers," said Dennis Kennedy, a founding shareholder in Bailey Kennedy. "You can't just keep cutting the low-paid associates from the bottom. Those are the people who generate money."