

## How Some Boutiques Are Avoiding BigLaw's Virus Cuts

By **Xiumei Dong**

*Law360 (April 30, 2020, 4:57 PM EDT)* -- While many BigLaw firms are tightening their belts during the COVID-19 outbreak, several boutique firms are offering additional benefits to keep their teams together, even if that means firm leaders will take "a personal hit."

In contrast to larger firms that have implemented salary cuts and furloughs, some boutiques are actually handing out bonuses to reward personnel for their hard work.

"We are very proud of the team that we built, and we wanted to make sure that we could keep that team, and not have to do any kind of cost-cutting layoff or furloughs or transitioning people to part-time work, or anything like that," said William Delgado, a founding partner at DTO Law.

The California-based boutique in mid-March gave \$1,000 to all associates and staff to help them pay for unanticipated expenses caused by COVID-19, Delgado said. It will also reimburse employees for any equipment they need to set up a home office.

Since the firm was founded in May 2019, DTO Law has grown to a total of nine attorneys and three three staff members. In order to make up for the cost, Delgado said the firm's three founding partners have taken up to a 50% cut of their partnership draw.

"The idea was to try and provide economic security for a really good group of employees so that they would stay with us because we do think that eventually, things will return to some state of normalcy," Delgado said. "And I think our clients are best served by us having these really amazing employees working for us."

For some experts, the bonuses, continued hiring and other trend-bucking practices of smaller firms speaks to the increased maneuverability of steering a smaller ship.

Because the smaller firms are more "nimble," it also allows them to make "just in time" changes in a time of economic uncertainty, said Valerie Fontaine, a partner at legal search firm SeltzerFontaine.

"Smaller firms are a little more careful in terms of not hiring ahead of need, and not expecting work



William Delgado

necessarily to just come flowing in seamlessly and without interruption as the larger firms do," Fontaine said. "They also don't have to plan two years ahead with their hiring the way larger firms do with their summer associate programs."

At DTO Law, the firm expects two more attorneys and one staff member to join them by June 1, Delgado said, but declined to reveal their names.

"In every challenge, there is an opportunity," Delgado said. "For example, one person will be in bankruptcy and restructuring, which is an area where we see some growth, particularly as a result of the pandemic ... that's an opportunity for us to get business we otherwise would not have had."

While some of the BigLaw firms are downsizing their workforce to mitigate the financial burden of the crisis, Delgado said his firm is seeing this as a perfect opportunity to scoop up some talented lawyers, gearing the firm up for the increasing legal work that's expected to arise from the pandemic.

Miami-based litigation boutique Mark Migdal & Hayden also welcomed two new attorneys, Jourdan Nadel and Daniel Maland, in late March and early April, said Etan Mark, a founding partner of the firm.

Mark said the firm won't be laying off or cutting pay for any of its 13 employees, including 12 attorneys and one staff member.

Compared to the larger firms, Mark said the small boutiques are well-positioned to weather the financial impact of COVID-19 because their operation is "much leaner" and able to give more individualized attention to employees.

"This is not an interesting typical little dip in the economy, this is obviously far more significant than that, but I just don't expect to see a significant drop off in work," Mark said. "In fact, I expect to see a pretty significant increase in work, and I would be shocked if we don't hire several more attorneys before the year is over."

Yankwitt LLP, a White Plains, New York-based litigation boutique, has hired a new partner, adding Ross Morrison, a former Buckley LLP partner and a former assistant U.S. attorney.

With the addition of Morrison, the firm has 11 attorneys and seven staff members. Russ Yankwitt, the firm's founder and managing partner, said he is committed to keeping the entire team's salaries the same as they were before the pandemic.

"If that means I have to take a personal hit to do so, I'm willing to do so to keep the team together," Yankwitt said.

Despite the concerns over the economic downturn induced by the coronavirus, it still hasn't stopped Louisa Weix from making the move from Austin-based The Benson Firm PLLC to join the Los Angeles boutique Tittmann Weix LLP as a name partner of the insurance law firm.

"The qualities of the small firm make them nimble and adaptable, I don't have any concerns at all that



Etan Mark

the pandemic will impact their viability," Weix said. "In fact, I think it creates opportunities for small firms."

The firm was just founded in January, Weix said, and since then it has grown to have six employees including five attorneys. It too is committed to making no cuts to employees' salaries or layoffs.

"One of the advantages of small firms ... is that we are providing more personalized service and more creative service," Weix said. "So we are a little bit more flexible in how we do things, we're not locked into big firm structures that require things to be done a certain way."

When clients are faced with "an unusual or changing situation," smaller firms are more acceptable to adapt and provide personalized service to accommodate their requests, Weix added.

New York-based trial boutique Mukasey Frenchman & Sklaroff LLP is also going against the grain by giving bonuses to its lawyers and staff members, while Chicago-based plaintiffs boutique Edelson PC said it will not delay or reduce its summer associate program.

Mukasey declined to disclose the amount of the bonuses, but said each of its six lawyers and staff members will net the same payment. Edelson has also told its employees that it does not plan to cut their salaries or reduce the workforce.

"Our firm isn't a big 18-wheel Mack truck. It's a lean, fast, aerodynamic, racing motorcycle," the firm's founding partner Marc Mukasey told Law360 in a statement. "We can operate in ways that larger vehicles can't."



Russ Yankwitt

However, that doesn't mean all the smaller firms are having the same experience during the COVID-19 crisis, said Kent Zimmermann of legal consulting firm Zeughauser Group.

"Even among the pool of small firms out there, there's going to be a variation on how firms experience this just like there is with the pool of large firms out there," Zimmermann said.

He explained that firms will respond differently based on their practice areas and financial performances.

"I don't know that the smaller firms are less affected, but I do know that the smaller firms often have less that they can cut," Zimmermann added.

--Editing by Amy Rowe.