

## Law firms maneuvered to get through recession Now business is picking up

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March 1, 2011

When John Ferguson became managing partner of Daytona Beach law firm Cobb Cole in January last year, little did he know he would face one of the most difficult decisions of his career just a few months later.

In April and May, Cobb Cole, the Volusia-Flagler area's largest law firm, underwent a staff reduction that included the layoffs of several support staff and the departure of five attorneys, including three partners. One of the five attorneys left the firm voluntarily.

"It was hard to let these people go," Ferguson said. Fortunately, according to Ferguson, all managed to "land on their feet," including former Cobb Cole partners Jonathan "Jake" Kaney III and Michael P. Olivari, who formed their own law firm, Kaney & Olivari, P.L., in Ormond Beach. Cobb Cole, which reduced the number of attorneys it has on staff to 24, is far from being alone in feeling the adverse effects of the shaky economy. Several area law firms contacted by the Business Report have reported having to trim staff positions and/or making other changes, including restructuring compensation and shifting the focus of their practice.

Michael **Chiumento** III, managing partner of **Chiumento**, Guntharp & Selis in Palm Coast, reduced its attorneys in 2009 from seven to three, and also laid off several support staff that same year. While business for his firm had been in a gradual decline the previous few years because of the downturn in the housing market, **Chiumento** said "the bottom dropped out in March 2009," which made it difficult to continue avoiding layoffs. Business for **Chiumento**'s firm is starting to improve, thanks in part to its switch to a new business model that includes focusing more on areas of law still in strong demand and changing its compensation structure to one that is more results-oriented, as opposed to offering high guaranteed base salaries, he said. The firm also recently changed its name with the addition of partner Scott Selis at the beginning of the year. Selis, who previously had his own practice, is an attorney who specializes in elder law. He also is a former Ormond Beach city commissioner.

Jim Rose, a co-partner in the Daytona Beach law firm Rice & Rose, said his firm has adjusted its areas of practice to include foreclosure defense and bankruptcy, while cutting down staff in real estate and other transactional work. The firm, which had five attorneys a year ago, now has three. "Law firms are businesses like all the others," said Rose. "When our clients go through difficult times, it impacts the amount of money they have or want to spend on various legal matters." Greg Snell, managing partner of Snell Legal in Ormond Beach, whose firm now has two attorneys, down from four in 2009, said he actually has been busier than ever in recent months, and has had to turn away some work because of his overloaded schedule. "In terms of dollars, we were about the same in 2010 as we were in 2009," Snell said. He said his firm has seen an increase in clients seeking help in dealing with employment law matters, and from medical practices either looking to merge with or acquire another practice or to promote physicians to partners. Snell said his firm also has been doing a lot of work for homeowner and condominium owner associations. "Many of them are in a tough situation because of foreclosures and owners who otherwise are having financial problems and aren't paying assessments," he said.

Mark Zimmerman, managing partner of the law firm James & Zimmerman, P.L., in DeLand, said while business is down for attorneys whose practices were concentrated on real estate transactions, "lawyers whose practices concentrate on representing people injured in accidents have not been impacted by the economic turndown. "Likewise, once a lawsuit has been filed due to unsuccessful pre-suit settlement negotiations, lawyers who defend these cases on behalf of the insurance companies seem to be keeping busy. However, the insurance companies carefully scrutinize the amount of hours and the hourly charges submitted by the defense attorneys," he said. Bankruptcy attorneys also have been kept busy because of the tough economic times, he said.

Rue & Ziffra, P.A., in Port Orange, is an example of a personal injury law firm whose business appears to be on the upswing. The firm, which in 2009 opened a second office in Orange City, on Feb. 15 announced the expansion of its Port Orange offices by moving half of its 40-person staff into a 6,000-square-foot office next door to its original office at 623 Dunlawton Ave. It now has nine attorneys on staff, up from seven in late 2009. Allan Ziffra, the firm's president, said in a news release his firm bought the former real estate building for \$600,000 late last year because his staff was "so crammed" into its existing 7,000-square-foot main office.

At Cobb Cole, Ferguson said his firm responded to the challenging economic times by reducing its operating expenses by one-third the past two years and by shifting more of its resources and staff to areas of practice that were "underserved," such as international law, regulatory issues and family law. "We looked at our manpower to see who was most qualified to service that need," he said. Ferguson said business has steadily improved at Cobb Cole since the fourth quarter of last year. "We billed more hours in January than in any month last year and November and December of last year were both up over the same months in the previous year," he said, calling it "a great sign." "We're headed in the right direction, which is wonderful."