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# How to choose an attorney for your company

By Larry Keller

It can be one of the more critical decisions an executive makes – hiring an attorney to handle his company’s legal matters. But where does one start?

“Determine what your main needs are,” advises Dennis D. Smith, vice chairman of Tripp Scott in Fort Lauderdale. Then search a source such as Martindale-Hubbell for attorneys that have clients in your industry and how they are rated. After reading their bios and making sure they’re rated highly by their peers, set up three or four interviews. In addition to choosing a candidate with solid credentials, make sure you have a rapport with him or her.

“At the end of the day, choosing a lawyer is a personal thing,” Smith said.

William Hyland Jr., chairman of the corporate practice group at the Gunster law firm and a shareholder based in its West Palm Beach office, agrees.

“I think the business owner has to have an easy communication with the attorney. There’s a trust,” he said.

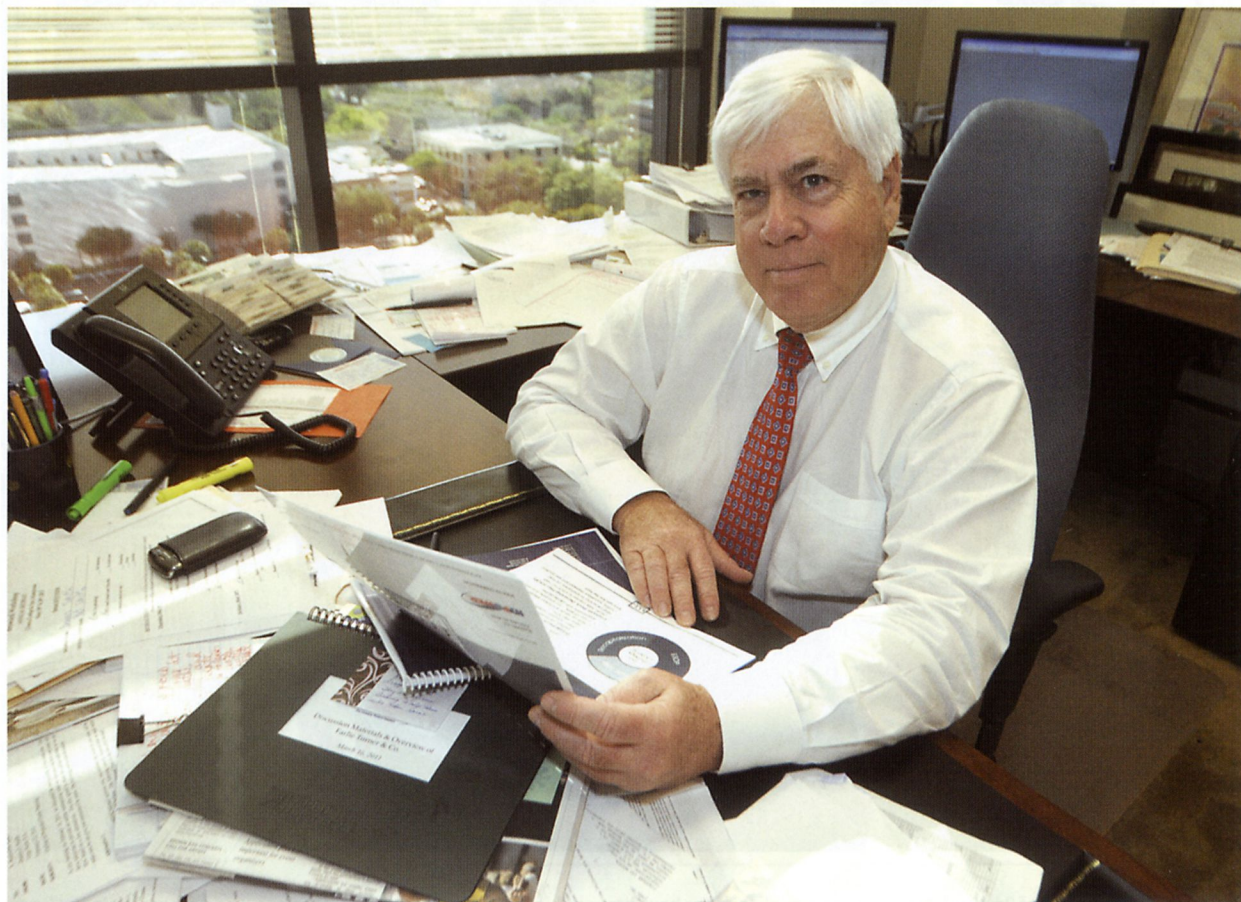
In vetting corporate counsel candidates, focus on substantive answers, not platitudes, he suggested.

Hyland said executives should ask themselves: “Does the lawyer know my business ... and how to craft legal solutions” to problems? “Ideally, the relationship ought to be one that adds considerable value to the business.”

## THE IMPORTANCE OF REFERRALS

Hyland said attorney ratings services – he thinks Chambers USA Guide is the best – have limited value and should be nothing more than a starting point. “The most important thing is individual referrals.”

Smith concurred, saying that a company executive can sometimes find an ideal lawyer by contacting industry associations in his type of business.



MARK FREERKS

‘At the end of the day, choosing a lawyer is a personal thing,’ Tripp Scott’s Dennis D. Smith says.

“Invariably, if you repeatedly hear the same law firm’s name in your trade area, hire them,” he said. “Don’t even talk to others; your vetting has already been done for you.”

If a company has enough work for an attorney concentrated in one area of the law, in-house counsel can oversee its interests and, “invariably, that will be cheaper,” Smith said.

But, it’s not cost-effective if the company has only intermittent legal problems. A business with a broad range of legal issues may benefit more from hiring an outside law firm, which has attorneys with expertise in a variety of areas, Smith said. In that case, he added, one employee should act as the company’s gatekeeper, and one or two attorneys should fill the same role at the law firm.

Payment methods for corpo-

rate counsel vary. A startup or small business may not have the means to pay a major law firm’s fees. But, some smaller firms – think two to four lawyers – may lower or waive their fees in exchange for equity in the company, Smith said.

“Normally, that’s a mistake,” Hyland said.

A lawyer can have a conflict if his firm owns a piece of a client’s business, and the lawyer and the client disagree on how best to run the business. A better option, Hyland believes, is for an entrepreneur to find somebody from a law firm that will offer an array of legal services at a low-enough flat rate to be attractive.

“It’s recognizing that even the best of entrepreneurs, at the beginning, often are cash-strapped,” Hyland said.

The incentive for the law

firm is that it hopes to build a relationship with the business owner and earn more money if the company succeeds in the future.

However, flat fees are not the norm.

“The vast majority of the time, it’s going to be on an hourly basis because there are too many variables to do a flat fee,” Hyland said.

Some typically straightforward transactions, such as a real estate closing, may be done at a flat rate, but even then with a proviso that any litigation arising from the closing is not covered in that fee, Hyland said. All of which points up the importance of this: Whether executives pay a flat fee or an hourly rate, they need to understand exactly what services a law firm will provide before signing a contract.