

# An Article published in the Daily Business Review

## BOUTIQUES SLICING INTO BIG FIRMS' PIE



A recession may not seem like the perfect environment for starting a new law business. But with clients under pressure to manage costs, and large firms favoring institutional clients in potential conflicts, dozens of boutiques have popped up offering sophisticated legal expertise at reasonable costs to clients large and small.

Former big firm partners launched their firm in midtown Manhattan in May and ever since have been pitching it as a cost-effective alternative to large law firms with a focus in corporate defense, reinsurance and commercial litigation.

“It’s so far positive, more positive than I would have thought at first,” name partner said.

The firm spun out of troubles that plagued their big old firms litigation department last year after the international firm’s expected boom in litigation never materialized. As was common many large firms last year, conflicts also increased after Lehman Brothers Holdings collapsed, and businesses began suing financial institutions for losses, Chaffetz said.

“It was clear the litigation department was in trouble, and any partner who stayed had to think whether to stay,” he said. Lindsey said he was swayed to start a small firm when another partner, presented him with projections and spreadsheets outlining a plan to take a different route and start a new firm.

### LOWER RATES

The attorneys took advantage of what they correctly assumed would be cheaper rents due to falling real estate prices. Asking rents for office space in Manhattan were down 22 percent in the third quarter, according to a report by Cushman & Wakefield.

Accordingly, the firm was able to charge clients much lower hourly rates than the big institutional firm they had left.