

Leading the Way: Alan Kluger and Abbey Kaplan on Succession, National Clients, and the Future of Rates in Miami

Our weekly Q&A series features Alan Kluger and Abbey Kaplan, co-founding members of litigation boutique Kluger, Kaplan, Silverman, Katzen & Levine.

by Dan Roe

What You Need to Know

- Kluger Kaplan has added four attorneys since June 2020 and will soon add two more, said co-founding members Alan Kluger and Abbey Kaplan.
- Meanwhile, equity partners who started as associates continue to expand their practices and chart the future of the firm.
- Kaplan and Kluger themselves are also growing their practices, taking advantage of remote trials to expand to new jurisdictions.

Editor's note: Welcome to "Leading the Way," a weekly Q&A with South Florida law firm leaders about how they're navigating novel challenges presented by the COVID-19 pandemic. Thanks for reading! We'd love your feedback, so please send thoughts and tips to Dan Roe at droe@alm.com.

Kluger, Kaplan, Silverman, Katzen & Levine is a relatively young law firm, having celebrated

its 12th birthday this year. But co-founders Alan Kluger and Abbey Kaplan, who both graduated from the University of Miami School of Law in 1975 and were admitted to the Florida Bar on Oct. 23 of the same year, are already thinking about the next generation of lawyers who will lead the 28-attorney litigation boutique into the future.

That means Kluger and Kaplan think a lot about reputational advancement as equity partners who started as associates carve out lucrative practices that beget more business and more hiring. At the same time, the founding partners continue to grow their own practices, leveraging the proliferation of remote work to take cases across the country. Kluger Kaplan is likely to triple in size faster than it doubled, said Kluger.

But the boom times have contrasted with the struggles of the pandemic at a tight-knit firm. In an interview, Kluger and Kaplan discussed their firm's return to the



Courtesy photo

Abbey Kaplan, left, and Alan Kluger, right, of Kluger, Kaplan, Silverman, Katzen & Levine.

office, expansion to new jurisdictions, and the future of Miami rates and compensation.

What's keeping you up at night?

Alan: Making sure that our attorneys and staff remain safe and their kids can thrive as we work through this new normal.

Abbey: Hoping the physical and mental strains of COVID pass without impact on my family, friends and co-workers.

How did you manage the Nov. 1 return to the office?

Alan: Our firm hasn't missed a beat in terms of work performance and quality during the pandemic, but everyone was excited about

returning to in-person work once we were comfortable getting back to the office.

Our attorneys are in the office three days the first week, two days the next week. We put legal assistants on three-two-two-three pods so that a group of lawyers has somebody they can call on who will be in the office each day. Paralegals are working in-office three days a week, administrative staff are three days a week. Everyone has a schedule.

From June 2020 to now, we've added four lawyers, plus we have two more on the way. We made an offer to a first-year associate, she's a third-year at the University of Miami law school and had been our summer associate. She's coming in May. We have our H.T. Smith scholarship student, Brianna Harris, who I speak with regularly. She's going to start at the summer program in the middle of May. We've identified the next two lawyers and we have a headhunter looking for a third-year.

Abbey: That doesn't include the search for partner-level laterals that we've obviously been doing as well as other firms. That's where we are, and the firm has doubled in 10 years since we started. We're twice the size, and I think we'll triple much faster than we doubled.

What's causing the growth?

Alan: The work is coming from reputational advancement. If you're in the business long enough and get really good results and clients like you, you get more business. But also, Josh Rubens and

Marko Cerenko, these younger equity partners, their business reputation in the community is expanding. They are attracting their own clients. That expands the footprint and means you need more associates to do the work.

And then the younger partners—Bruce Katzen, Todd Levine, Jason Marks—their business is exploding as they get more and more well-known and become members of Best Lawyers in America and Super Lawyers. Those are an indication of their reputational advancement among their peers, so then what happens is more business comes to them. And if more business comes to them, you need more lawyers to do the work. That's why I say the growth to three times will be faster than the growth to two times.

The bottom piece of the business model is growing faster, and as a result the top end, the biggest cases in South Florida, end up at our firm. And we're pretty much in the beauty contest in every case. There's a whole number we didn't want to be involved in. We stayed out of the Champlain Towers litigation. I was offered with Steve Silverman a fairly big piece of that case.

Abbey: We decided to stay away because obviously the people who are going after the money are at odds with one another, and it's going to be a long time before things are resolved.

Alan: From a karma perspective, we've decided there's going to be very tough decisions as to who

gets the money. There are people who lost loved ones versus people who lost real estate. I could make an argument on either side, but I don't really want to be that lawyer. There are going to be some tough decisions to be made, and the lawyers in our firm felt that they didn't want to be in that situation.

Alan mentioned earlier in the pandemic that the firm was getting an increasing amount of work from out-of-state clients. How has that demand developed this year?

Alan: A year ago, I tried a case remotely in federal court in Missouri. The client had never hired me outside of Florida but they hired me all the time in Miami. They said, 'If my lawyer is going to appear by Zoom and I don't have to pay for a whole team to be in Missouri, I'd rather have you.' We got a great result, and I said when this ends I'm sure they'll go back to what they were doing.

They're not. That group of people has brought me in. They're coming to us to handle litigation in New York and Pennsylvania, even when it's not by Zoom. They said we did such a good job, we'll talk travel, billing, all the rest.

That created a change in demand which is interesting because the Fortune 100 companies never cared about sending their lawyers anywhere in the country when they had a case. They wouldn't hire local counsel unless they were in a small town where a big outside firm wouldn't do well politically. Now, it's all the way down.

The price of lawyers is not going to drive the case when there's so much at stake, so the added increment of out-of-town lawyers is worth it if you're going to get the result you want. We'll travel, we like that.

How has rising attorney compensation affected your rates?

Alan: That is the challenge. Our rates are not the highest in town, and they're significantly lower than your Chicago, Los Angeles, and Washington, D.C., rates, so we have room to grow. As our lawyers get more experienced, we can raise their rates. On one hand, we have to compete with the big firms but on the other hand, we don't.

For example, the lawyers we want to hire are at the top of the food chain, either young associates or law students, and they know what the biggest firms that are now in Miami are paying. We don't have to match that, but we have to compete with it. They also understand that there's a trade-off by coming to a firm like ours, so they're willing to take less—not significantly less, but less. Because on the other side we don't have a lockstep bonus plan. If you're a superstar young associate, you will get a bonus significantly greater than the big firms, so at the end of the day if you're willing to take a risk on yourself, you'll do as well or better.

Abbey: We have the ability to attract remarkable young talent who had the opportunity to go to

larger firms and start out making significantly more money. They're evaluating, should I be at a firm with 30 lawyers? Or a firm with 300 lawyers in the office where I'm a very small fish in a very large bowl? Here, you can be a bigger fish in a smaller bowl.

Alan: We had this with one of the hires. She got an offer from one of the biggest firms in town. She was very honest about it, she said this is what X firm offered me. So I said, "What do you think you should get here?" She told me, and I said, "OK."

It's not a long discussion, it's not like we need an extra X amount of dollars so we're going to raise a person's rate to do it. It might come out that the firm doesn't make as much off of associate A as it would if we paid them less. We shrug that off. We have 30 litigators and everybody's really busy. Rates do get raised over time as bigger firms keep raising their rates, but our clients don't have a problem with it.

As national and global law firms arrive in South Florida and contribute to rising rates, how willing are local clients to continue paying more?

Alan: I think you're onto something. We haven't seen it yet, but I'm sure local firms and local companies that hire legal talent may find that firms they used in the past have increased their rates beyond their tolerance, in which case they will end up seeking firms

that will do their work at lower rates.

I think when that happens, one of two things will happen next: They either hire a young lawyer on the verge of being a superstar, they luck out, and the lawyer gets a marquee client. But eventually, they'll price out their client. Or they get a young lawyer with no experience and it's a bad situation for both parties.

Those were the two ways it played out when Abbey and I were young lawyers, in the early 1980s, when Miami was going through its boom time—one of its many boom times. I was pretty low-priced at 30 to 31 years old. I got clients who had been to Holland & Knight, Greenberg Traurig, and other firms, who didn't want to pay the new base fee. It helped me build my firm. I worked really hard and they lucked out.

What's the most important lesson you've learned as a firm leader during the pandemic?

Alan: One size does not fit all. Everyone reacts to exigent circumstances differently, and a firm who extols culture as the main beacon needs to be vigilant to have a tent large enough to house the diverse needs, wants, and expectations of everyone.

Abbey: How very important having a strong firm culture helped support and sustain relationships even though there is a new normal work environment.