

REGIONAL NEWS

Chartwell Law Offices Sets Up Shop in Wilmington

BY ZACK NEEDLES
Of the Legal Staff

The Chartwell Law Offices has set up shop in Wilmington, Del., hiring two lawyers from the First State's second-largest law firm.

The 49-attorney Valley Forge, Pa.-based firm has opened the office with the addition of two attorneys from Wilmington-based Young Conaway Stargatt & Taylor.

Seth J. Reidenberg, formerly special counsel in Young Conaway's commercial litigation department, and Janet Z. Charlton, a former partner in the firm's commercial litigation and commercial real estate, banking and land use departments, have both joined Chartwell as partners.

Reidenberg will manage the Wilmington office.

Clifford A. Goldstein, CEO of Chartwell, said his firm has seen an influx in Delaware-based work ever since it acquired three creditors' rights attorneys from Philadelphia-based firm Harvey Pennington early last year.

Goldstein said the firm also has taken on a "pretty good volume" of general liability work for retail chains in Delaware.

Those two factors, plus the fact that residential mortgage foreclosure is the "hottest thing out there today," were what

led the firm to set up shop in Delaware, he said.

JOINING THE SCENE

Goldstein admitted that, because Delaware has such a small, tight-knit legal community, it's a tough market for a Philadelphia firm to break into.

"I know many firms have tried to break into Delaware and have failed," he said, adding that there is at least one approach he's sure is wrong. "[Some firms think] 'I'll tell all my Pennsylvania clients that we have a Delaware office and they'll suddenly send us all their Delaware work' — that ain't going to work."

Steven Kruza of Kruza Legal Search in Philadelphia agreed.

"I think it's really a perception thing," he said. "The Delaware bar is very close knit, and I think a lot of times firms coming in from outside the market trying to establish themselves are viewed as just

that: outsiders. It's tough to really break through. From what I've seen, the firms that have the most success are the firms that acquire Delaware talent from Delaware firms."

Goldstein said that is why the firm originally sought out and is continuing to seek out Delaware-based lawyers to join its Wilmington office.

"They already have the connection to the community in Wilmington," he said.

According to Goldstein, the firm is in talks with other Delaware-based lawyers about joining the firm and the ultimate plan is to eventually expand the Wilmington location into a "multi-lined" office.

"We're going to start out doing foreclosure, default banking, bankruptcy and general casualty litigation, but we've already begun to build a workers' compensation defense practice and we're looking into some opportunities in real estate and transactional work, as

well as commercial litigation," he said.

CATCHING THE 'BIGGER FISH'

Goldstein said Reidenberg and Charlton joined the firm because they were "ready to branch out into something where they can be bigger fish in a smaller pond."

"Unfortunately, it's a tough time for a lot of bigger firms, but it's really an opportunity for aggressive midsized firms to pick up some of the folks who no longer fit the business model at big firms," he said.

Goldstein declined to assign a dollar value to Reidenberg's and Charlton's combined client book but said "they had enough work on day one that we anticipated the need for adding more lawyers."

Goldstein said Young Conaway has been very professional throughout the process of transitioning files to Chartwell.

"There's a difference between Delaware and Pennsylvania," he said. "In Pennsylvania, there's a lot of huffing and puffing and threatening and bad feelings and fighting [when someone leaves a firm]. In Delaware, it's much more civil."

The hope, he said, is that Young Conaway will still refer cases to Reidenberg and Charlton.

James L. Patton Jr., chairman of Young Conaway, could not be reached at press time.

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— Steven Kruza

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PRESSURE AND OPPORTUNITY

Just as the market is prime right now for snagging big firm laterals, Goldstein said there are also great opportunities for smaller firms like his to attract big firm clients.

"One of the trends right now is rate sensitivity by the big clients," he said. "We think we're well-positioned to pick up more work, based on our ability to do the work at more reasonable rates than many firms charge."

He added that "larger firms are going to have a lot of challenges," which in addition to pressure to reduce rates, may include pressure from clients to consolidate work among their most senior partners, hindering those firms'

ability to utilize the pyramid structure.

Because of these pressures, he said, "there are some cracks in the loyalty relationships between clients and firms. Our goal is to take advantage of that opportunity now."

Goldstein said it's because of this that the firm is planning to "redouble our efforts" to expand, with its sights now set on establishing offices in South Jersey, West Virginia and eventually New York.

"For us, [opening the Delaware office] is important. It's a milestone for us in our growth," he said, adding that it signifies the beginning of a "transition — and it'll take a long time — from being a Philadelphia firm to being a regional firm."

In addition to the Wilmington and Valley Forge offices, the firm has locations in Harrisburg, Philadelphia, Scranton and Pittsburgh.