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Jeffer Has Steady Hands at the Financial Helm

Careful Expenditures, Zero Debt Keeps Raises, Bonuses Coming, Even Through Dark Periods

By **Rebecca U. Cho**

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LOS ANGELES — Since the firm's inception in 1981, managing partner Bruce Jeffer at Jeffer Mangels Butler & Marmaro, had been calling a weekly management meeting like clockwork.

"We finally begged Bruce at the end of last year, 'Look, let's meet every other Tuesday,'" said partner Benjamin Reznik, a member of the firm's management committee.

To no one's surprise, Jeffer agreed. It is that combination of discipline tempered with a strong spirit of camaraderie that has propelled the 150-attorney, Century City-based Jeffer Mangels through its most difficult times, lawyers and partners at the firm say.

The discipline has paid dividends. Even as the recent economic downturn has forced many law firms to downsize, freeze salaries and cut bonuses, Jeffer Mangels associates received their regular bonuses and pay raises this year, Jeffer, 66, said. The firm closes its books each December with zero debt.

"You don't borrow money or spend money you don't have," assistant managing partner Burton Mitchell said. And "you pay people what they're worth."

Jeffer's steady hands at the firm's financial helm give its attorneys confidence going into an economically uncertain 2009, Reznik said.

"I think the discipline Bruce has brought upon us to live within our means, to not rely on loans and watch expenditures very carefully ... has now been ingrained in this firm," he said. "That's why I'm very comfortable."

Jeffer acknowledged that the next year will test his firm as never before, but his strategy is to keep a steady course. That strategy kept the company prospering through dark periods in the past, including the savings and loan crisis of the 1980s and 1990s and the dot-com bust.

Born and raised in Brooklyn, N.Y., Jeffer graduated in 1967 from Harvard Law School. The 6-foot-4-inch, former tackle and tight



ROBERT LEVINS/ Daily Journal

Managing partner Bruce Jeffer combines discipline tempered with a strong spirit of camaraderie to propel the 150-attorney Jeffer Mangels Butler & Marmaro through its most difficult times.

end for UCLA knew early on that he had an interest in both law and management.

At Harvard, he took business courses. His classmates included Supreme Court Justice David Souter and venture capitalist David Bonderman.

Following law school, Jeffer moved back to California and joined the firm now known as Nossaman. He then practiced for six years at McKenna & Fitting, at that time a top savings and loan law firm. After a brief stint at Manatt, Phelps & Phillips, Jeffer formed Jeffer Mangels with about 10 lawyers.

"I finally decided if you could not find a good fit," Jeffer said, "you've got to design one."

Jeffer Mangels has undergone several incarnations since its founding, continuously shifting with its clients' roster. The firm started primarily in oil and gas work. When the oil and gas boom dried up, the firm shifted into real estate, then expanded into corporate securities.

In 1985, the firm opened its San Fran-

cisco office, which today has 25 attorneys. The Orange County office opened its doors in 2007 and has three attorneys. By the late 1990s, Jeffer Mangels had expanded to 150 lawyers. Jeffer once considered making his firm a national one, but decided against it.

"It would've taken us down a different path of growth," he said. "It didn't work for us."

His law firm is about adapting to the circumstances, he said, adjusting practices according to client needs. Today, Jeffer Mangels' most prominent practices include land use, hospitality, tax and estate planning. Such areas have been abandoned by many of the big firms, but Jeffer think it is a boon for his firm because of its manageable size and management style.

Jeffer dismisses the gloom and doom preached by legal experts today who urge small firms to merge.

"I think a bunch of firms have become convinced through the consultants that you have to grow or die," he said. "I've never believed that. [You] have to continuously re-define your market."

Firm Continues to Give Raises, Bonuses, While Maintaining Zero Debt

While other similarly sized Los Angeles firms have found niche practice areas - Greenberg Glusker Fields Claman & Machtlinger practices mainly in entertainment and real estate, while Irell & Manella excels in intellectual property — Jeffer Mangels takes a hedged approach to its clients list.

Instead of concentrating in one lucrative practice, the firm offers services in many areas of commercial business. Also, each client accounts for, at most, 7 percent of the firm's business, lessening each client's potential to be a liability to the firm.

“What you have to do is define the areas in which you can be a player,” Jeffer said. But “you can't be a player in everything because some things take more size and scope than we're willing to devote.”

The strategy has worked. Jeffer Mangels has never experienced a down year, Jeffer said.

Another part of that strategy is to look for opportunities, even in down times. For example, Jeffer foresees massive changes for law firms working for financial services clients following the drastic transformation of the industry.

For all his professional success and physical frame, Jeffer is very personable, his partners and associates say, and maintains a we're-all-in-it-together culture around the firm.

“The irony about him is if you put him in a room full of people, he's a little shy. He's not the backslapper, handshaker kind of guy,” Reznik said. But “one on one, in a small group, he's a pleasure. He's a big teddy bear.”

Marta Fernandez, a partner who specializes in labor and employment, said Jeffer has a talent for reading people, skillfully forming

teams to work on matters — and, she said, a penchant for good restaurants and travel. When she first met Jeffer, she was impressed he could name a well-regarded restaurant in the Central American region where her family is from.

“All of us, no matter where we're traveling to, we'll pick up the phone and ask him for the best restaurant,” Fernandez said. “It could be Provo, Utah, and he'll know it.”

For his part, Jeffer said, it's those interactions with people in his firm that make the work worthwhile.

“The reason I've stayed in law is not because it's the most profitable,” he said. “But the people have been very good. Did I envision that reward. Staying with good people, having good experiences, having good relationships? Yes, that's exactly what I anticipated.”