

100 QUESTIONS

for

Richard L. Scheff

CHAIRMAN, MONTGOMERY MCCrackEN WALKER & RHOADS LLP

INTERVIEW BY CHANCELLOR JOHN E. SAVOTH

Montgomery McCracken Walker & Rhoads LLP, one of Philadelphia's oldest law firms, is celebrating its 100th anniversary this year. The firm's alumni include a U.S. Supreme Court justice, federal judges and a host of leaders of the Philadelphia Bar Association. Richard L. Scheff, chairman of the firm, talks about the firm's history and philosophy.

concerned about the outlay of dollars spent, firms like ours present a value to these clients. We provide quality legal services at a much more competitive rate, especially when compared to some of the larger New York firms, so we're a natural choice. We have had a desire to be in the New York market for quite some time now. We actively explored options and eventually found the right opportunity in midtown Manhattan at 50th and Madison. It is great space, a great

location and the lawyers complement and expand our practice. We now have 18 full-time lawyers in New York. The plan is to bring that office to about 30 in the next 12 to 18 months.

We have a good group of people here, we're like a family. Families argue sometimes, we're no different and I want this family to continue. And so achieving the balance of the growth we want with our culture, I think that's our biggest challenge for the future. I'm confident that we can be there. I have great faith in our lawyers and I have great faith in our younger people. I know that they will take the tradition of the firm and make it bigger, greater, better, and the quality of our services will improve along the way. They're going to take it to a whole different level. It's important that we remember our culture and the role it played in getting us to this point.

CHANCELLOR JOHN E. SAVOTH: Montgomery McCracken is marking its 100th anniversary this year. In this difficult economic time, how has the firm been able to survive and flourish?

RICHARD L. SCHEFF: The firm has always been fiscally conservative. We pride ourselves on not having any debt. As a result, in good times or bad, we are on a very solid foundation. In terms of flourishing, like any other firm you always have to continually look at your expenses, you have to make sure that you are spending money the right way. And you have to make sure you have the right players on the field because it is an extremely competitive environment.

How many lawyers do you have here in Philadelphia and firm-wide?

We have about 100 in Philadelphia and about 150 firm-wide. Our plan over the next three-to-five years is to take the number to between 200 and 225. I see tremendous opportunities for firms our size. I really do. I think in today's economic climate, particularly with large purchasers of legal services being

One of the founders of the firm, Owen J. Roberts, served as an associate justice of the U.S. Supreme Court. There have been others who have been called to the federal bench. What makes attorneys in your firm popular choices to become judges?

Owen Roberts passed away in 1955 and so I never had the



The Bar Association is a community of lawyers and in my view, participation in the community is a component of participation in the chosen profession.

pleasure of meeting him, but we have done a lot of research on his life and his contributions to the public, to Pennsylvania, to the court systems and to the country, over the course of his long career. He was dean of the University of Pennsylvania Law School, he was appointed to the position of special counsel by President Calvin Coolidge to investigate the Teapot Dome scandal, and he served as chair of the commission to investigate the state of the nation's preparedness to meet the Japanese attack on Pearl Harbor, our entry into World War II. So Owen Roberts brings a tradition of great judgment and public service, which I think has been a hallmark of this firm.

Judge Thomas O'Neill on the Eastern District of Pennsylvania bench was the

chairman of the litigation department here. I didn't start at Montgomery McCracken until 1990 and so Tom and I didn't cross paths at the firm. I have gotten to know Tom over the years. He's a former Chancellor of the Bar Association. He's a man of great patience and judgment, and he is an excellent jurist. So I would hope that we are cultivating lawyers in that tradition.

Montgomery McCracken lawyers have a proud history of service to the Philadelphia Bar. There have been six Chancellors, one chair of the Board of Governors and three chairs of the Young Lawyers Division. Why is bar service so important to the firm's attorneys and to attorneys in general?

The Bar Association is a community of

lawyers and in my view, participation in the community is a component of participation in the chosen profession. You need to be an active member of the community, you need to give back. You need to be sharing your best practices, helping other lawyers, participating. We think Bar participation is important, so the firm pays for all of its lawyers to be members. We of course encourage participation in the various sections and committees.

How does your firm's attorneys' participation in the Bar Association help Montgomery McCracken?

Well, our interaction with people from the legal community results in the generation of ideas about how we can better operate, better serve our

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lawyers, and do things better for the community. So for us, it's a source of ideas – that exchange of information – that is something we look forward to. The Bar Association has tremendous training programs and it is not uncommon for our lawyers to attend training sessions or participate in a lunch-and-learn program, and then come back to the firm and share the wisdom of what they learned. Training is just one of the great services the Bar provides.

How does Montgomery McCracken bring new attorneys along? Do you have a specific mentoring program?

We have had success with a formal mentoring program, but as a practical matter, much of the mentoring is done one-on-one, on an informal basis. Mentoring is done at all levels. In fact, I have an open-door policy and encourage lawyers and staff members to visit and discuss what's on their minds.

Part of mentoring or the learning process for young lawyers is to be in meetings with seasoned lawyers to discuss the nuances of a case. We involve our lawyers in discussion of strategy options and potential outcomes. Sitting around a table and strategizing about how to handle a case - the discussion and analysis is all part of the learning process. Likewise, we bring our young lawyers to client development pitches as another important aspect of their training. We talk to associates about how to interact with senior partners as sometimes there is a sense of intimidation or a sense of not being able to approach someone. We try and break down those walls. Are we successful across the board 100 percent of the time? I'm sure we're not, but we are moving in the right direction and have had great improvement over the years.

Recently, I convened a group of younger partners to talk about the firm and its future, because this isn't just my firm; it's their's too. We talked about what we need to do to shape the firm for the future, what we need to do to make it a better and stronger place. And so we've had a dialogue in that aspect of mentoring younger partners. It's a



Chancellor John E. Savoth with Richard L. Scheff.

learning process for me and it's very exciting to be able to help shape the lives of younger lawyers and to shape the life of our organization.

I find it fascinating that the firm has maintained a culture through the decades, 100 years now, whereby young lawyers feel that they can speak up. How do you foster that?

I think while communication is important, encouraging people to do so is hard to do. So, we have created forums for open communication.

We have monthly partner meetings where we discuss the business of the firm. Lawyers are a busy lot, so it's

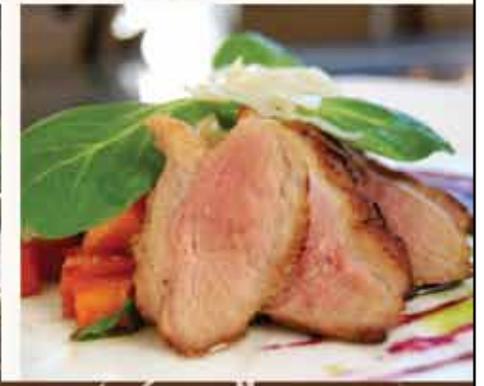
difficult to get full attendance. I also schedule regular open forum sessions where partners can meet with me one-on-one to discuss compensation, business development, our capital structure, expansion plans, the topics are endless.

Shortly after I became chairman of the firm I started quarterly staff meetings. No other lawyers attend. It's just staff members, regardless of position, and me. During that session, I tell them the status of the firm. I tell them what's going on, how we're doing financially, and what our plans are for growth, etc. At the outset, we implemented a program where staff members are invited to submit

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questions anonymously because a lot of people don't want to stand up and ask a question. In the first quarterly staff meeting I had a slew of anonymous questions. I answer every single question. Some of them are similar so I group them, but read the question and provide an answer. In the last staff meeting we had in June, I don't believe there was a single anonymous question submitted. And so people are now feeling comfortable enough to stand up and ask their questions.

Diversity seems to be a key component of your firm. What are some of the initiatives and programs that you've instituted?

There was a point in time where there was a fairly robust but relatively small group of lawyers working on diversity issues. I got involved in diversity actively here five or six years ago. At that point, we decided to open the Diversity Committee to staff as well

as lawyers. We have 25 people on our committee. We meet once a month and we have four or five subcommittees that actively work on community and firm initiatives. We have a group of people working on a firm diversity vendor program, a relatively uncommon initiative. We've got a group of people evaluating whether or not we ought to retain a chief diversity officer, as many large corporations do. We've got a group of people who on a quarterly basis produce a diversity newsletter. We hold in-house diversity events. I hope you can join us this fall for our ongoing program called "Minorities in the Military." As a firm, we have actively supported the military. Last spring, we had two of the Tuskegee Airmen at the firm. They gave a great presentation on what it was like to be a Tuskegee Airman in the 1940s. Our fall diversity presentation will be on women in the military.

We've also had filmmakers who

focus on diversity issues come in to show a film and then facilitate an open discussion of the issues presented. Diversity issues are a part of our world and we all need to be aware of other cultures, races, ethnicity, lifestyles, differences, etc. I grew up in North Jersey, and my sister and I were the only Jewish kids in our elementary school. It was an odd feeling in that setting. I'm not saying that's allowed me to be able to appreciate all the diversity problems and discrimination that people have suffered throughout the years, but it's provided a little bit of a window for me.

We're trying to get more and more people involved in diversity issues. I don't think everyone appreciates how important it is to our culture, to us as people and to our business. But we're getting there. It's a process. It's not something that happens overnight. We have a long way to go but we've come a long way.



Are the attorneys here encouraged to take pro bono cases? What is the approach of your firm to having attorneys participating in pro bono?

We've had a long, rich program of participation in pro bono in a variety of different ways, through formal and informal programs. We have had significant pro bono representations. We do that because we believe in a cause, or because a particular person believes in a cause. If you could look at our email system you would see that our attorneys have many opportunities to become involved with pro bono cases. We encourage pro bono work by all lawyers and all recorded hours go toward their billable-hour target. All pro bono matters are opened as separate client engagements and pro bono clients are treated in all respects as clients of the firm.

It is good training for our young lawyers. They're learning to give back to the community and it's important to their development and to the firm's culture. Many of us lose sight of how

fortunate we are and of the opportunities we have, and that we all need to give back in one way or another. Whether it's through pro bono activities, service to boards or charitable organizations, or reaching into your pocket and donating to organizations, the notion of giving back to the community is something that lawyers have a long history of doing, and it's important. We have so many advantages, we have so many opportunities and we shouldn't lose sight of where that comes from.

How do you help your folks here at the firm create a balance between work life and home life?

I am the poster child for the need of an intervention when it comes to work/home balance. We have always been flexible in terms of work hours, part-time schedules and people telecommuting. We have been particularly sensitive to people's personal situations. If you're dealing with a family issue, a sick child, or your spouse or parent has a problem, whatever the case may be that is taking you away from the office, physically or

mentally, most likely, your productivity is affected. I suspect there are a number of firms where an attorney's compensation would be cut and there would be an immediate financial impact on that person. We've always been empathetic to our lawyers' and staffs' personal situations. Years ago, the wife of one of our young partners tragically passed away and he was left as a single parent with two kids. We told him to take whatever time is needed, take care of your family, they need you now. You let us know when you're ready to come back. He came back and reintegrated into the firm. We recently had someone with a medical problem – there was a flood of support for him. We told him to take his time and he's already back and working. This way of thinking predates me. It's just the culture of the firm. ■

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