

# A Collaborative Culture

An Interview with Paul S. Pearlman,  
Managing Partner, Kramer Levin Naftalis & Frankel LLP

**EDITORS' NOTE** Paul Pearlman has served in his current post since August 2000. His private equity experience over the past 35 years has included representing leveraged buyout sponsors, management, and providers of debt financing in complex and often high-profile LBO transactions. He also has extensive experience in mergers and acquisitions involving public and privately held entities and in the financing of acquisition transactions. Pearlman received his B.B.A. from George Washington University and his J.D., cum laude, from St. John's University School of Law.



Paul S. Pearlman

**FIRM BRIEF** Kramer Levin ([kramerlevin.com](http://kramerlevin.com)) is a full-service law firm with more than 375 lawyers in 60-plus practice areas. The firm is headquartered in New York, with offices in Silicon Valley and Paris, and fosters a strong culture of involvement in public and community service. In addition to its well-known litigation and bankruptcy capabilities, the firm has top-tier practices in many other areas, including corporate, M&A, intellectual property, real estate and land use, tax, employment law and business immigration.

## What are the keys to Kramer Levin's strength and leadership in the industry?

One of the reasons partners join and stay at Kramer Levin is that they feel that it is their firm. As many other firms have increased in size and look more like large institutions or corporations, partners do not, in my view, necessarily feel like owners. At Kramer Levin, people are invested and have a drive to succeed which works to the benefit of the firm.

Another development over the past 19 years has been the embodiment of a real sense of collaboration. It is particularly visible in the younger partners. We're fortunate that most of our lawyers are in one office. It makes it easier to collaborate when you see people face-to-face. This has become a hallmark of the firm.

## How has Kramer Levin been able to compete so effectively with much larger firms?

We certainly punch above our weight. We have always been known in the industry as one of the premier firms in terms of the talent that we possess and the quality work that is produced throughout the firm.

Our greatest challenge is letting the world know who we are. We continue to be different than most of our competitors in many ways, including size. We have only three offices. Most of the big firms now have many offices. Additionally, we are much less leveraged than virtually every other firm. We are barely at a two-to-one ratio of partners to non-partners, and we have very little attrition, relatively speaking.

Moreover, most firms have a pyramid structure. They bring in large associate classes and whittle down the number of attorneys in that class as they become more senior. We actually have the opposite. We bring in small associate classes. We build out laterally in the middle years, and people tend to stay. This allows us to staff matters more leanly since we can assign more experienced attorneys to them. Clients know that they are going to receive consistently high-value and high-quality work on a more cost-effective basis.

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## You announced your retirement after many years of leading Kramer Levin. How has the firm handled succession planning to ensure a smooth transition?

Having been managing partner for nearly 20 years, I felt it was important to let the firm know far in advance that I planned to step down so that there would be an orderly transition. That was almost two years ago.

Shortly after my announcement, we started the process of identifying one or more candidates to succeed me. Last fall, we selected two partners who we thought would be the best choice to do so. We discussed the selection first with our executive committee and then with the partnership. Howard Spilko and Paul Schoeman were elected co-managing partners in January 2019 and will take office at the start of 2020. They are going to share responsibilities and intend to maintain their practices. I have a full year to work with them on the transition and download whatever knowledge I can impart, as well as help them understand my views of the firm. Howard and Paul are well into the process of getting up to speed and taking over some of my responsibilities.

## Do you think about your legacy at the firm?

It is not something to which I have ever given much thought, but people have now begun to mention it to me. In any event, thinking about my legacy never influenced how I managed the firm. My father ingrained in me long ago that when you have a job and responsibilities, you do them to the best of your abilities, no matter what.

There are a couple of things, looking back, that I am particularly pleased about: first, that the firm has remained independent and, second, that we have been quite successful during my tenure. I believe that I am leaving the firm in a better place than when I took over. As the CEO of a law firm, you are similar to a manager of a sports team. You are only as good as your players, and fortunately we have a great team. My job is to provide my team with the best platform that I can to enhance their ability to do their work. I have tried to take care of everything on the business side and handle conflicts and any personal or other issues that I am asked to deal with, so the attorneys can focus exclusively on their practices and their clients.

The law firm CEO position, in my view, is more about judgement, common sense and fairness than anything else. I tried to ensure that the partners always felt that whatever decisions I made were done in the best interests of the firm rather than for my personal benefit, and that I was fair in my decisions. If that is how they remember me, then I think I have done pretty well, and I will be proud of my legacy. ●