

THURSDAY, JUNE 17, 2011

LAW FIRM BUSINESS

Building on Credibility

Real estate firm Spile, Siegal, Leff & Goor has a unique relationship with real estate brokers and their insurance carriers, which helps create a level of trust among all.

By **Susan McRae**

Daily Journal Staff Writer

ENCINO — The eight-lawyer real estate firm Spile, Siegal, Leff & Goor LLP prides itself on helping revolutionize the way real estate brokers and their agents collaborate with their insurance carriers to resolve disputes.

It didn't happen by accident.

Steven D. Spile, the firm's managing partner, credits the California Association of Realtors as the impetus behind a program that made it possible.

A decade ago, the real estate industry was in a difficult situation, Spile said. Financial markets were tightening. Insurance carriers faced challenges in providing errors-and-omissions coverage to brokers and agents to insure against a flurry of unexpected claims — such as mold, for example — while still being able to make a profit.

As a result, insurance coverage became more restrictive.

So the association, a 160,000-member trade group dedicated to professionalism in real estate, formed a task force to study the problem.

Spile was part of the group, along with other attorneys, real estate professionals and association staff members. The group sifted through years of data, examined various types of claims and risks and identified the most problematic areas. Then the members looked for creative techniques to narrow those risks and maximize carriers' ability to provide affordable coverage.

As part of the solution, the task force proposed forming a team of lawyers with significant experience in defending real estate brokers and agents in malpractice claims. The Strategic Defense Panel, which included Spile's firm, agreed to take only defense cases and not to file claims against brokers and agents. This was important, Spile said, because another component of



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Steven D. Spile, managing partner of real estate firm Spile, Siegal, Leff & Goor LLP

the agreement involved creating a repository in which lawyers could put their pleadings, discovery and research for other panel members to tap into and avoid reinventing the wheel.

But the key component of the panel's success was that both the real estate brokers and agents and the insurance carriers approved its members.

"We have a unique position, in that we have credibility with our client base — the insured real estate brokers — and with their insurance carriers," Spile said. "Generally, attorneys are believed to have a deeper relationship with one or the other. This situation enables us to collaborate with both parties to create efficient and appropriate resolutions."

The collaboration made a lot of sense, Spile said, because the parties' interests and needs are very similar. He said the panel attorneys aim to help synthesize those interests and needs in the most cost-effective

way — whether through transactions, mediations or litigation.

One of the biggest areas for attorneys representing brokers and agents is risk management, Spile said.

He said his firm isn't there just to help if a broker's agent is sued, but to help the

Spile, Siegal, Leff & Goor LLP

Encino

Number of Lawyers: eight

Specialty: real estate transactions and litigation

Tips:

- Collaborate with colleagues throughout the state to expand your presence and provide a strong network of representation
- Empathize with your clients, and try to see problems through their eyes
- Get involved with a trade association as a way of generating clients and serving them effectively

broker and agent in their transactions, with an eye toward avoiding future problems. To that end, Spile said, the lawyers at his firm participate in a number of seminars to train agents in avoiding common mistakes in writing contracts, thus steering them away from litigation.

When a claim does come up against his client, Spile, who has a transactional background, said he treats it as just a phase of a transaction.

“If you have that mindset, you can say, ‘OK, these are the parties. These are their interests. This is where they are. This is where they want to go, and this is where it’s possible to take them.’

“You can hopefully navigate the dynamics of transactions so they won’t have to spend unnecessary time litigating.”

The Spile Siegal lawyers don’t limit their collaboration to insurance carriers. They’ve also used the technique to settle disputes that clients have with buyers or sellers, in real estate appraisals and even in sales by getting the buyer and seller to agree to use the same agent.

If the process sounds a little like mediation, it could be because the firm’s roots are steeped in that process and Spile and the other lawyers at the firm often use it to resolve disputes. The firm’s founder, Jeffrey L. Krivis, left in the late 1980s to become a full-time mediator and another firm partner, Floyd Siegal, left several years ago to do the same,

Spile joined the firm in 1992 and is one of 6 partners and 2 associates. Most have more than 20 years’ experience in the real estate industry. The firm has hired only one associate right out of law school, Michael J.T. Wilson, who signed on last year after having worked at the firm as an administrative assistant before passing the State Bar Exam. The firm has an Inland Empire office which is run by attorney D.W. Duke. The firm also uses up to six contract attorneys when needed.

Recently it joined forces with real estate lawyer Shannon B. Jones of the Shannon B. Jones Law Group in the Bay Area town of Danville. The two firms have formed a statewide, full-service program called Cali-

fornia Real Estate Legal Alliance, designed to meet the litigation, risk management and legal needs of real estate professionals.

Although all of the lawyers are expected to pull their weight and get paid accordingly, the firm has no billable-hour quota. It’s all part of its emphasis on family time, said Spile, 55 and a married father of three. The emphasis on family also extends to clients, he said, many of whom have been represented by the firm for years.

Family photos decorate the lawyers’ offices. Spile displays his prized collection of autographed photos of baseball players in the reception area above two Dodger dugout chairs he bought at a charity auction when the stadium was remodeled.

“Some of the lawyers here had their own firms or were partners in other firms, and they came here because we have a culture of family first,” Spile said. “I think that culture also has created a lot of comfort level with our clients. They are family to me.

“I think, to do a good job, you have to be in tune with humanity. I don’t think there’s a greater sign of humanity than family.”