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Estate fate

Boutique law firm grows by helping clients with wills, estates, trusts

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Estate planning takes a lot of hand-holding and it doesn't always bring in a lot of money, but it's one area of legal work that serves clients before they get into trouble.

Trudy Nearn knew she wanted to be a lawyer by the time she was 10. Not a trial lawyer -- she can't bear to be yelled at. Nearn chose estate planning instead.

Nine years ago, she left a large Sacramento law firm to go out on her own. Since then, the Sacramento business -- Generations -- has become a boutique firm that helps clients protect their assets and decide what to do with them after they die. Deemed morbid by some, dull by many, it's considered "Happy Law" in the field.

"Estate planning is one of the few things people do voluntarily," Nearn said. "They want to take care of things ahead of time."

The questions are nonetheless hard. Estate planning is about family relationships and every family is different.

And there are plenty of families in this region.

"My sense is there are plenty of clients to go around," said Dawn Cole, a partner who practices at McDonough Holland & Allen, with which Generations competes for larger accounts.

Generations has more women clients than men because they usually live longer. Single women are more likely to plan this part of their future than single men, especially when there are children involved, Nearn said.

It's the children that prompted the unusual name. Most law firms call themselves by a litany of partner names. Nearn wanted to reflect something else.

"When I turned 40, clients started asking me how old I was," Nearn said. "They were afraid I'd die before their kids needed me."

She brought on younger lawyers, including Rebecca Gardner, and changed the name to show that "generations of our firm will be here for generations of families."

The job demands empathy, tact and good listening skills. It's a good field for women lawyers, Nearn said.

Genesis, exodus, genesis: Nearn, 46, was first drawn to senior citizens through volunteer work as a teenager. She discovered tax practice in law school.

"I realized I have a great memory for stupid, petty detail -- and tax is nonstop stupid, petty detail," said Nearn. The combination of tax work and interest in seniors made estate planning a good career choice.

Nearn spent nine years in midsized law firms in San Jose and Sacramento before going out on her own. She was a partner and chair of the tax, probate and estate planning group at Diepenbrock Wulff Plant & Hannegan when she left the safety of a large firm for personal independence.

"Estate planning is an unusual practice area that's not necessarily good for a business firm," Nearn said. "Firms want clients who bring in \$300,000 a pop, not those who bring in \$3,000 a pop and require a lot of hand-holding."

She got a \$30,000 loan from Wells Fargo Bank to get started, opened a small office on University Avenue and made the same amount of money on her own the first year out that she did as a partner at Diepenbrock. Under agreement with the firm, she took 196 of her 200 Diepenbrock clients with her.

Growth with customer service: Net income has tripled since then for Generations, though Nearn declined to reveal revenue and profit figures.

Generations' fees range from \$500 for a simple will to \$2,800 for a couple who wants a living trust, wills and power of attorney for healthcare.

Generations has grown to three lawyers, three paralegals and three administrators who serve roughly 300 clients a year. The firm moved from rented Campus Commons digs to 4,500 square feet of its own on Madison Avenue in January.

"We looked at where our client base was coming from," Nearn said. "Roseville, El Dorado Hills and Folsom."

The space offers some room to grow, but not much; it could hold four or five lawyers, not more. Small is easier to manage because everybody in the firm knows what everybody else is doing.

Rules are clear: Return phone calls within one business day. Follow up with clients after the initial work is done. Mondays are for catching up, not client meetings. Bonuses are based on how well employees fare on customer-satisfaction surveys.

The office is paperless and money is spent on paralegals who help with the law while attorneys prepare their own documents on the computer.

"It never made sense to me for lawyers to mark up documents with a pen and have someone else type in the changes," Nearn said. Scheduling and other details are handled by a client relations administrator, Naomi Olvera, also an unusual touch for a law firm.

The best business decision she's made was to bring in her husband as the business manager, Nearn said. An engineer, Tom Nearn has a background in business management, long-range planning and commercial real estate.

"He recognized lawyers are notoriously poor businesspeople," Nearn said. "If there's an extra hour to

spend, we spend it working with clients, not on business."

Funerals and hugs: There are more funerals than cocktail parties in this business, but hugs are frequent and job satisfaction high. In Sacramento, lawyers who do estate planning work at a mix of large firms to sole practices. Estates range from less than \$100,000 to \$100 million.

At the high end, Nearn competes with Sacramento's second-largest law firm, McDonough Holland, which has Cole and three other partners in the estate planning section.

Like Nearn, all four McDonough partners have advanced degrees in tax. Laws have gotten more complicated over the years, but Cole remains sold on the business.

"I like the intellectual challenge of getting into family dynamics to solve their goals in a tax-effective manner," Cole said. "I could come up with a fabulous tax plan, but if family dynamics will tear it apart, I'm not doing them a service."

In this field, service can range from handing over a business to protecting pets. Advance directives that spell out what happens when a person loses capacity to make decisions is something Nearn considers particularly important.

"It's tacky, but if you are dead, you probably won't care that much," she said. "But if you are alive and lack capacity, what can be more important than having said what you want?"