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CHICAGO BUSINESS

Someone to watch over you: An attorney you trust is key for small businesses

November 08, 2004



AthletiCo founder Mark Kaufman, left, says he and lawyer Martin Carroll, right, "have a close relationship." Photo: John R. Boehm

As a physical therapist and a businessman, Mark Kaufman can both limber up a bad back and read a cash flow statement. But when it comes to things like designing his company's legal structure, he prefers a hands-off policy.

Mr. Kaufman founded Oak Brook-based AthletiCo, a chain of 25 Chicago-area physical therapy centers. He rarely makes a move on a legal matter without consulting his lawyer, Martin Carroll, whom he considers one of his most trusted advisers. "We have a close relationship, that has evolved into one that touches a lot of areas," says Mr. Kaufman.

Mr. Carroll, a partner at downtown law firm Fox, Hefter, Swibel, Levin & Carroll, has known Mr. Kaufman for almost a decade, when Mr. Kaufman was trying to extricate himself from a business partnership and come up with a way to expand his physical therapy chain. Mr. Carroll guided him through the partnership breakup. Then he suggested setting up each center as a separate entity, enabling Mr. Kaufman to offer ownership shares to center managers. After his experience in the partnership Mr. Kaufman knew how important it would be to structure his chain properly.

Later, Mr. Carroll helped negotiate the purchase of Web address www.athletico.com from another company. Mr. Kaufman also has relied on Mr. Carroll in AthletiCo's real estate transactions.

The length and depth of their relationship is such that, both men agree, Mr. Carroll's function as a legal adviser is greatly enhanced. "As a company grows, there are a lot of issues that come up," he says. "I've been with them almost from the inception and I've been able to see what they've done wrong and right."

Like it or not, every entrepreneur needs a lawyer. Sara Shifrin, director of entrepreneurial training at the Women's Business Development Center on South Michigan Avenue, says problems with things like leases and signage are among the most common legal issues business owners come to her with.

But even for common problems, it's vital to find the right lawyer. One characteristic to look for: the willingness to admit ignorance.

"One of the first things you learn as a lawyer is your limitations," Mr. Carroll says. When AthletiCo had a trademark dispute (with the same company from which it bought the Web address), Mr. Carroll, who has no experience in trademark law, didn't try to handle it himself. He helped Mr. Kaufman find a trademark lawyer, who got the other company to stop what AthletiCo objected to.

Even if a lawyer comes highly recommended, there are questions you'll want to ask.

First, the fee. Lawyers charge anywhere from \$150 an hour at small suburban firms to \$700 or more for senior partners downtown. Some may quote a flat fee for specific jobs like drafting incorporation documents.

You'll also want to be sure your lawyer is familiar with your industry and has experience in working with your size of company. And, especially if you're a small company, find out who'll be handling your work. When some firms promise legal advice, "it can mean a paralegal," Ms. Shifrin warns.

Also, be ready to supply information. Ms. Shifrin advises entrepreneurs to go so far as bringing a copy of the business plan when they interview lawyers.

And what if they ask for a retainer? Might not be a bad idea. Far better to have a lawyer handy if something goes wrong than to start looking for one after the summons arrives.

Finally, while working with the same lawyer for years can benefit both sides, never forget that you are the client, and the relationship exists at your option.

Despite the long tenure of their arrangement, Mr. Kaufman won't let Mr. Carroll and his firm rest on their laurels. "If I saw them falling short on any of the things that are the focus of our practice, meaning patient and client services, then we'd have a problem," he says. "But, thankfully, I've never gotten that feel."