

TALK ISN'T CHEAP

But smart employers can still find less expensive legal options in a high-priced market

KATHY ROBERTSON | STAFF WRITER

Hit by a lawsuit after an employee fell and hurt herself on the job, Gloria Mallory called several attorneys for advice.

The quick answer was usually a question: "Are you the injured worker or the employer?"

"When I said 'employer,' it was, 'Oh no, we represent the injured worker,'" said Mallory, president of Agent Network Inc., a staffing agency in Rocklin that provides workers for the construction industry.

"I felt like falling under a rock and dying," Mallory said. "I felt guilty because I employ people."

But Mallory still needed legal advice. She is not alone.

Workplace law in California is complex enough that compliance can be a full-time job. A simple claim because someone missed a lunch break can become a major headache to a business owner who has to figure out how it happened and what to do next. The repercussions aren't pretty, and it's likely to cost a bundle — even if the business owner was right.

Sacramento's biggest downtown law firms offer high-quality legal services, but the price might be too much for small employers.

"Average Joe on the street doesn't have access to a lawyer," said Elizabeth Ison, a Sacramento lawyer whose employment law firm specializes in representing small-business owners.

"It's corporate America that hires corporate law firms at \$350 an hour. Large law firms are great, but a lot of people forget that some attorneys have spun off from law firms and opened boutique practices, making services affordable."

BOUTIQUE LAW FIRMS

Mallory got help from Scott Shibayama at Vision Law Corp., a "virtual" law firm in



DENNIS McCOY | SACRAMENTO BUSINESS JOURNAL

Bruce Murray, left, of the California Employers Association, talks to Bill Pennock, chief executive officer of Squaretree IT Projects. Pennock has sought advice on unemployment insurance claims, wrongful discharge lawsuits and drafting separation agreements.

Roseville that cuts costs by hiring experienced employment lawyers as independent contractors.

"He was the first attorney to say, 'You know what, I understand your problem; I represent employers,'" Mallory said.

Formerly with Littler Mendelson and the former Sacramento law firm of Palmer Disario Kazanjian Holden LLP, Shibayama has defended more than 40 employment lawsuits or arbitration cases for large clients such as Safeway Inc. and Hewlett-Packard Co. He now works with small-business owners.

"We specialize in employment and labor law, a large source of many of their headaches," he said.

The company launched three patented fee programs in June to help small businesses cope with legal fees. They include

a flat monthly fee for advice and help, an agreement by lawyers to share in the risk if a claim is filed and a program that allows businesses to earn credits toward litigation fees by using more of the services.

"I've actually picked up the phone and called him numerous times," said Mallory, who pays \$499 a month for legal advice and earns credits toward legal advice if she does get sued. "I feel like he's part of my team."

When Mallory needed help on a workers' compensation claim, she asked Shibayama if she needed to hire a lawyer or should let the state Workers Compensation Insurance Fund represent her.

Shibayama told her to save her money and go with the fund.

"Most attorneys would have jumped at the opportunity to make some money," Mallory said.

LEGAL | Some issues don't need attorneys; trade associations or legal assistants can help

The Ison Law Group is another boutique local firm that specializes in helping small to midsized business owners. Fees are about 20 percent less than those of large law firms, Ison said, but she does suggest business people shop around.

"When hiring a lawyer, just like a doctor, you need to be a savvy consumer," Ison said. "Ask for references and pose questions like what's the smallest increment of time they bill for and will you be charged if you talk to somebody (on the phone)."

TRADE GROUPS

Many trade associations offer legal advice or counseling. Most are nonprofit, act as advocates for their industry and try to do it as cost-efficiently as they can.

"Legal troubles that involve wage-and-hour claims from the Labor Commissioner because someone missed lunch breaks or rest periods happen all the time — but it may mean a \$17,000 bill from the Labor Commissioner or the Fair Employment and Housing Commission," said Kim Parker, executive vice president at the Sacramento-based California Employers Association.

Some unemployment claims and other matters can be settled without an attorney, Parker said. Her association sends experienced human resources coaches out to businesses to go over the issue and work with the parties to settle it.

"If an employer decides, 'I want to fight it,' we can do it for pennies on the dollar," she said.

The association has knocked some claims down to nothing and trimmed penalties in others, Parker said, "but sometimes you did everything wrong and should owe money."

Bill Pennock, owner of local informa-

tion technology and Web design company Squaretree IT Projects, has gotten help from Bruce Murray at the association to write separation agreements, fight unemployment insurance claims and avoid wrongful discharge lawsuits.

The first time he used the trade group, Pennock checked the advice he got with a lawyer and other chief executive officers — and found it was good. He gets a set number of hours of legal advice free as a member and has never used up the allotted amount. Membership dues run from \$885 to \$3,700, based on employee headcount.

"If you've got a serious problem, you've got to go to a lawyer, and they'll tell you that," Pennock said.

Dustin Neutzling, owner of a small property management company in Sacramento called Project Management Inc., said he recently saved "a couple thousand" dollars on a wage dispute Murray stepped in to help settle.

Among other resources, the Sacramento Employers Advisory Council offers seminars to help educate employers about employment issues and related legal concerns, and ASAP Legal LLC, a group of professionals dubbed legal document assistants, can help employers who know what they want file the papers they need.

"We don't give legal advice, but we can save the public a significant cost if it's not too complicated," said Angie Walters, who runs ASAP Legal LLC in Roseville with her husband, Marty.

The company can walk clients through the process of setting up a business entity, she said, and file the appropriate documents with the Secretary of State.

krbertson@bizjournals.com | 916-558-7869

Low-cost legal alternatives

Vision Law Corporation:

A "virtual" law firm in Roseville geared toward small businesses that keeps overhead low by hiring lawyers as independent contractors. The firm offers a flat monthly fee program for legal advice, will share the risk and provide litigation credits if businesses are sued and use the company to defend them.

Contact: Scott Shibayama at 916-780-1920 or visionlaw.com

The Ison Law Group:

A boutique employment law practice geared toward small and midsized businesses that charges rates about 20 percent lower than large local law firms.

Contact: Elizabeth Ison at 916-492-6555 or theisonlawgroup.com

Trade associations:

Trade or employee associations generally offer legal counseling.

The Sacramento-based California Employers Association sends human resources coaches to inform members on issues ranging from unemployment insurance claims to collective bargaining negotiations, workplace rules and employee terminations.

Contact: Kim Parker at 916-921-1312 or employers.org

Legal document assistants:

California law allows some bonded, registered non-lawyers to prepare legal documents for people doing their own legal work. One local company that does this is ASAP Legal LLC in Roseville.

Contact: Angie Walters at 916-521-0393 or asaplaw.com

Sacramento Employers Advisory Council:

A cross-section of local employer volunteers from businesses across Sacramento, the group offers seminars to educate employers about employment issues and legal problems.

Contact: 916-484-4647 or saceac.com