

Most Admired Attys: Labaton's Lawrence Sucharow

By Allison Grande

Law360, New York (August 20, 2010) -- Whether negotiating multimillion-dollar settlements for plaintiffs in securities class actions or guiding his firm through a successful restructuring, Labaton Sucharow LLP Chairman Lawrence Sucharow has the ability to find the human dimension in every aspect of the business of law, an approach that has earned him a place among Law360's 10 Most Admired Securities Attorneys.

Sucharow, whose leadership in helping to craft his firm's litigation and settlement strategies has contributed to roughly \$2 billion in recoveries for the firm's class action plaintiffs in 2010, has consistently impressed colleagues and adversaries alike with his fairness, practicality and humor in tough situations.

"He has good interpersonal skills and a great personality," Labaton Sucharow senior partner Edward Labaton said. "He has the ability to deal with problems and difficult people without offending them and has always been very good at dispute resolution."

Robert Schachter of Zwerling Schachter & Zwerling LLP added that "he's one of the few people in our practice that, when he makes a presentation, you can believe it."

During his career, Sucharow has helped his firm negotiate substantial settlements in a number of high-profile securities class actions, including a \$725 million settlement announced July 16 that resolved a group of Ohio pension funds' claims in litigation against American International Group Inc. and a proposed \$624 million settlement announced May 7 for the New York

pension funds in a securities class action against Countrywide Financial Corp.

Sucharow noted that the turning point in prompting the AIG settlement after several years of unsuccessful negotiations was getting the Ohio attorney general and a senior AIG official in the same room together to discuss the financial obstacles that were blocking a resolution.



Lawrence Sucharow

"It's hard to demand more money when the other side doesn't have that money to give," Sucharow said. "I think negotiation is a lot like life; it's better to talk less and listen more, something that most lawyers tend to do the opposite of."

Joel H. Bernstein, a Labaton Sucharow senior partner who went to law school with Sucharow, recalls working on a securities class action against Prudential Securities Inc. in the mid-1990s in which Sucharow demonstrated his uncanny ability to listen to his adversaries' position.

"We had agreed on a handshake settlement in the case for just over \$100 million, so I decided to go home while Larry stayed at the office to negotiate the wording of the settlement agreement," he said. "Somewhere around two or three in the morning they had some crazy dispute over wording. At that point, I would

have ripped up the \$100 million settlement and said, 'See you in court,' but Larry put everything he had into working things out and they eventually settled the dispute."

Sucharow said his philosophy in navigating complex disputes has always been to present the facts in a relatable way, and then hope the judge, jury or adversary does "the right thing" with that information.

"The judge and clerks already know what the law is, so I try to make the facts as interesting and compelling as possible," Sucharow said. "When I read other people's brief, I typically see a lot of time and attention paid to citations and things like that, but very little time spent presenting their position in a way that is compelling to them as a human being."

In the 1980s, Sucharow worked on a class action in the U.S. District Court for the Eastern District of New York, representing customers of MCI Communications Inc. who were allegedly being wrongfully charged for unconnected telephone calls. When presenting his case to the judge, Sucharow opted to not focus on relevant case law but instead on a lesson his mother had taught him.

"I said, 'Your honor, do you remember the story about robbing Peter to pay Paul?'" Sucharow recalled. "' Well, my client Peter was brought up the way I was brought up, with his mother teaching him to carefully dial a number, and then let it ring 12 times, because 12 was a minute and the person you were calling might need a minute to get to the phone.' "

Sucharow explained that Peter was being punished by MCI — who claimed this practice of charging for unconnected calls evened out because some calls that were connected for a short period of time were not being charged — for merely following his mother's advice.

"So what MCI is telling me is that my mother's advice is no good," Sucharow said. "It's not my client's fault that MCI can't tell the difference between a Peter who lets the phone ring 12 times and a Paul who calls his wife for five seconds to let her know he's on the way home."

This strategy of finding the humanity in legal proceedings also shone through during a recent panel hearing in the Eastern

District of Maryland, where Sucharow was the 15th out of 21 lawyers asking for preliminary approval of a proposed settlement.

"When it was my turn, I went up and said, 'Your honors, I can't tell you how happy I am to be here after working on this case for five years and having finally reached a settlement,' " Sucharow said. "No one spoke to the judges like they were human beings. Sooner or later, you have to get to the law, but it also helps to capture their imagination and attention."

Labaton Sucharow partner Christopher Keller first saw this philosophy in action as a young associate working with Sucharow on a six-week securities trial on behalf of 18,000 passive investors in Real Estate Associates Inc. limited partnerships, which ultimately resulted in a \$182 million jury verdict for their clients.

"Working with Larry has really shown me how important it is to engage defense counsel in a respectful way," Keller said. "Lawyers are people, and if they don't like you, they're less likely to hear what you have to say and work with you. He's shown me how to build mutual respect without sacrificing your position or being manipulative."

Labaton hypothesizes that these people skills come from long before Sucharow became a lawyer, most likely beginning with his upbringing in Queens, N.Y.

Sucharow, whose father died when he was two years old, said he was taught by his mother that he had to [be] a professional, and that he fell into law after ruling out a career in engineering while attending Brooklyn Technical High School and a career in accounting after taking two college accounting classes.

"I couldn't stand the sight of blood, so I couldn't be a doctor, so law was one of the only things that was left," Sucharow admitted.

Sucharow attended Brooklyn Law School at night for four years while managing a men's store in downtown Manhattan and became interested in securities law by accident after his classmate Bernstein told him about a clerkship he had just gotten.

"I asked him, 'What's that?' " Sucharow recalled. "And then I realized that it sounded like something I should be doing to help me when I finish law school."

Sucharow promptly swooped up the higher-paying clerkship of the two Bernstein had just turned down, a \$120-per-week job at a small securities class action firm.

Two years after graduation, Sucharow answered an ad in the New York Law Journal for an associate position at his current firm.

More than 30 years later, Sucharow now heads the firm and has led its transformation over the past decade from a mid-tier billable corporate and contingent fee class action firm to, following the elimination of the corporate division, a top-ranked plaintiffs class action firm, an accomplishment that he counts among the greatest achievements of his career.

“Helping establish the strategic vision and implementing that vision for the firm has basically been a lifelong ambition of mine,” he said. “To implement the plan of doing right by our clients in a way that has enabled us to achieve what we have achieved is just a tremendous feeling.”

Labaton Sucharow senior partner Jon Plasse, who has worked with Sucharow for over 30 years and notes that even as chairman, he still prefers to be called simply "Larry," believes that the firm has been able to thrive under his guidance because of his ability to connect with all kinds of people and “to give practical advice to people he's worked with.”

Methodology: From May 25 through June 11, Law360 invited readers to nominate attorneys they admire to be profiled for the "Most Admired" series. Readers were asked: "Is there an attorney you've argued against in court who you respect — or whose briefs you fear? What about a lawyer whose views on the latest hot-button issues you eagerly seek out? Or a former classmate who is practicing the law in novel ways?" Survey participants were not permitted to nominate attorneys from their own firms, and submissions from public relations and marketing professionals were not considered.

Separately, Law360 sought out nominations from practice group heads at the 100 largest law firms in the United States. In total, 1,016 nominations were received.

Nominations were reviewed by a board comprising experienced lawyers and Law360 editorial staff. Sixty-five attorneys covering seven practice areas of the law were then selected to be profiled for the "Most Admired" series.

Labaton, who Sucharow credits with “teaching me how to be gentleman,” added that Sucharow's grasp of both the law and the economics of the practice have been vital to the firm's growth.

“These cases have an enormous amount of risk attached to them, but he understands how to measure that risk,” Labaton said.

Sucharow also learned from Labaton the importance of relating to colleagues and adversaries outside of a courtroom setting, propelling him toward an active role in the Federal Bar Council. But Sucharow has taken this advice one step further, first initiating as an associate a firmwide get-together at his house that has since turned into an annual firm outing. Until recently, he and his wife had also made it a tradition to host get-togethers for members of both the plaintiffs' bar and defense counsel, with the goal of building collegiality within the bar. “The other side is just representing its side as well, so it's much easier if you're able to maintain a cordial relationship with them,” Sucharow said. “It's hard to have a knock-down, drag-out fight with your adversary when you've made an effort to humanize them.”

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