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'Proof of Concept': A Conversation With the Law Journal's Firm of the Year

By David Gialanella

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At the 2023 New Jersey Legal Awards earlier this year, the Law Firm of the Year winner was announced from a slate of three finalists. Pashman Stein Walder Hayden P.C. of Hackensack won based on its attorneys achieving recognitions in numerous other categories: Litigation Departments of the Year (as a finalist), New Leaders of the Bar, Mentors and Unsung Heroes.

Pashman Stein was recognized for, among other accomplishments, its victories at the New Jersey Supreme Court in the multimillion-dollar shareholder dispute *Sipko v. Koger*, as well as in *Rivera v. Union County Prosecutor's Office*, a case concerning police internal affairs investigations.

The latter case was handled through the firm's Justice Gary S. Stein Public Interest Center, named for the retired justice (who remains special counsel at Pashman Stein) and father of firm founder and managing partner Michael Stein. (The center, launched in 2019 and headed by CJ Griffin, recently brought on its first fellow.)

Michael Stein recently spoke about the recognition and the firm's development in an interview.

'Proof-of-Concept Moment'

"What for me, and I think the firm as an institution, was most gratifying about this recognition is that a lot of the work that I presume garnered the attention was work that we did through our policy center," Stein said.

"It's sort of a proof-of-concept moment in that, we undertook that effort out of nothing more than



Courtesy photo

Michael Stein of Pashman Stein Walder Hayden P.C.

a belief that lawyers have a responsibility to give back, to be part of the conversation of the issues of the day, and that law firms are uniquely positioned to make a difference. Call it what you want but it's [the notion that] a law firm should be more than a business," Stein said.

"In retrospect, [launching the center] was an extraordinary investment, and it felt a little idiosyncratic at the time. We were much smaller when we first made the investment—we're still fairly small—but in retrospect, there have been a lot of unintended benefits that could serve as a template to other firms who may be on the fence about whether it makes sense to invest in this way," Stein said.

One benefit, he said, is "the incredible sense of pride that is felt" by everyone from staff to senior

Courtesy photo



Pashman Stein Walder Hayden P.C. offices.

partners at the firm because of “this sense that we’re doing something meaningful” that has “injected a sense of meaning and purpose and passion.”

Stein also pointed to “the experience that it’s given our lawyers, both young and old,” with the firm averaging upward of 30 state Supreme Court arguments per year, experience that’s hard to come by for developing attorneys practicing at law firms rather than public-interest organizations. He added that such work “renews a promise of sorts” to those who went to law school hoping to make a broad policy impact in their practices.

“The institution is stronger. There’s this extraordinary sense that we’re doing something different, and it has nothing to do with our bottom line,” Stein said.

‘More Attention From Paying Clients’

Except that it does. The center’s work has had a measurable business impact, according to Stein.

“These benefits I’m describing are so impactful that at the end of the day, it’s worth the investment, and frankly these benefits have led to an elevation of our profile, our brand ... and it’s strengthened our culture,” Stein said.

“All that, frankly, leads to more attention from paying clients; it leads to better recruitment prospects,” he added.

The message to firms who are “intrigued but [have] not yet made the commitment” to launch a dedicated public-interest unit, Stein said, is “that it can align quite well with your business interest.”

“To me personally here, that’s the headline,” he said.

Indeed, the firm has grown, particularly during the pandemic. It had roughly 60 attorneys when the center launched, and has some 90 today. It was founded in 1995 by Stein, who in 1987 left life as a bond trader for a career in law, along with fellow name partner Louis Pashman. In 2016, the firm, which had 33 lawyers, combined with Walder Hayden, adding 12 lawyers and forming Pashman Stein Walder Hayden P.C.

In changing careers, Stein said his goal was “to keep punching until I found a job where I had the same spring in my step on Monday morning that I do on Friday when I’m pouring my first cocktail.”

‘The Dust Is Going to Begin to Settle’

Asked about what the prevailing challenges of 2024 might be, Stein’s answer was somewhat surprising in that it’s a response a managing partner might have been expected to give at this time in 2022 or even 2021, but that nevertheless makes sense given that so many firms are still working through the issue.

“The first thing that comes to mind is what all industries are grappling with: what does the new normal look like, are we there yet, what does that mean for hiring, what does it mean for geographic scope, what does it mean for office life, what does it mean for the day-to-day practice of law?” Stein said. “In 2024, the dust is going to begin to settle. ... A lot of law firms have set policy in stone. ... There’s all kinds of variations of these policies.

“We have not mandated any of it, and I think that decision is being vindicated because, I think what a lot of firms are finding is it’s really hard to enforce and it’s hard to put teeth into these policies, and they were instituted before the dust was fully settled,” Stein continued. “So here we are, it’s year four ... and those who thought the dust had settled and had advanced policies are finding an extra layer of unnecessary challenges.”

“I’ve always been of the view that most people want to be in the office about half the time and enjoy the level of flexibility that we can enjoy. ... So with some carrots and without sticks, you can get the right kind of energy in the office and give people the flexibility they expect,” he said.