

FREE TIME

Helping Out

Thanks to a Lawyers' Committee for Civil Rights program, corporate attorneys receive the chance to handle small-business deals pro bono. **By Amy Spees**

Paul Escobosa, a partner with Coblenz, Patch, Duffy & Bass, recently helped two Mexican immigrants open a downtown San Francisco cafe.

Peter Carson, a finance partner at Bingham McCutchen helped open a hair salon in Hunters Point and a taqueria in Richmond.

These are not your typical billion-dollar deals, initial public offerings or high-profile construction projects, but through a program with the Lawyers' Committee for Civil Rights corporate attorneys are given the rare opportunity to handle deals pro bono.

As a result, the attorneys have made small-business ownership a reality for 400 low-income clients.

"Business transaction lawyers are very simple folks. We get our jollies from getting things done, from closing transactions," Escobosa says. "We help people achieve their objectives, and we are problem solvers. That's what we do."

Seven years ago, the Lawyers' Committee for Civil Rights of the San Francisco Bay Area presented the city's transactional attorneys with a problem they could solve.

The organization envisioned a program that would pair business lawyers with low-income microenterprises, those started with fewer than five employees and less than \$35,000 in seed money.

The program, Legal Services for Entrepreneurs, served 113 clients last year, 76 of whom were matched with pro bono counsel. The 159 attorneys and paralegals who participated in the program provided 2,790 hours of their time, a \$962,850 value.

Ten new law firms signed on for the program last year, bringing the number of firms participating to 33.

"These [clients] come in and typically have a great idea and a lot of enthusiasm, but they're unschooled in what is required to really establish a business," Carson says.

He represents a married Oakland couple, Jennifer Richardson and Shavarik Hynson. The two are hip-hop musicians, and Hynson is a cartoonist. Carson is organizing their legal documents, assisting the couple with trademark and copyright issues, and preparing standard forms of distribution and customer contracts.

"What they want to do is use the combination of their cartooning skills and hip-hop skills to reach an audience with positive messages coming out of hip-hop," Carson says. "At a grass-roots level, they are trying to sell hip-hop CDs that are part of a package with cartoons."

Jason Doren, an associate from Cooley Godward, has spent the last few months helping Marcos Leon incorporate his construction business. Leon worked in the construction industry for 20 years. He decided to open his own business, Leon & Sons Construction Inc., in 2002.

Leon researched and obtained a contractor's license and set up his own shop with \$20,000 of his savings.

"[The money] went fast," Leon says. "When I decided to go into business, the dot-com era had just cropped up, and we were really busy. Then the bottom fell out,



Photo by S. Todd Rogers

"It's a pretty unique opportunity for transactional attorneys to do pro bono work in their areas of expertise," says Helen Smolinski, left, director of Legal Services for Entrepreneurs. Also pictured are attorneys Allison Schutte, center, and Sandra L. Geiger, right.

and, man, it got slow."

Leon says the company, focusing on commercial construction, had a hard time taking off. As larger contracts came rolling in, Leon realized he was in over his head.

"They were ruthless, and everything was business," Leon says. "With commercial, there's no face. Big corporations have project managers and supervisors. You never talk to an owner and create a relationship."

The Small Business Administration referred him to the Lawyers' Committee.

"I was relieved as soon as I talked to them," Leon says of Doren and Caroline Vu, another Cooley Godward lawyer working for him. "I've had one or two conferences with someone who has expertise in contracting. And they walked me through my incorporation papers."

Lawyers also counseled Leon on how to handle clients that don't pay for his work.

"They were really great to me. I even tried to hire them, but they said, 'No, you can't afford us,'" Leon says.

The attorneys referred him to a smaller law firm to review future contracts.

Leon's is one of many small businesses determined to make a difference in their communities. Whenever jobs come up and Leon needs labor, he taps kids serving probation or parole.

He tries to instill in them the importance of education and makes sure each worker at least earns a general equivalency diploma.

"They're really great kids. They just

make bad decisions. I give them a chance," Leon says.

Lawyers say they sign up for the program to sharpen their skills, while lending a helping hand.

"I do it because I am in the business of helping people. Usually, they are people with lots of money," Escobosa says. "But we have a responsibility to our community. It can play out in lots of ways; we can serve on school boards and do other things for the public good, but this is something we get to do as lawyers."

Most traditional pro bono clients need litigation assistance on asylum cases, immigration issues, eviction defense or domestic-violence claims, says Helen Smolinski, director of Legal Services for Entrepreneurs.

But corporate attorneys are out of their element in those types of cases and the Legal Services for Entrepreneurs allows them to assist pro bono clients with other matters.

"It's a pretty unique opportunity for transactional attorneys to do pro bono work in their areas of expertise," Smolinski says.

The program was created in 1997 by retired Pillsbury Winthrop attorney James Caleshu and Eva Paterson, former head of the Lawyer's Committee and now the director of San Francisco's Equal Justice Society, to provide pro bono opportunities for business lawyers and to work toward economic justice for low-income Bay Area residents.

"At the time, it was the dot-com boom. It

was an exciting time in California and the Bay Area, and they didn't want the lower-income community left behind," Smolinski says. "The problem is still there today. People can't live in California on earnings from a minimum-wage job."

San Francisco's indexed minimum wage is \$8.62 per hour, \$1.87 per hour more than the rest of the state and \$3.47 more than the federal standard.

But it's still falling short, Smolinski says. To meet basic needs, a single adult working full time in California needs to make \$11.03 per hour and \$13.36 per hour if the person lives in the Bay Area, she says. The federal poverty level is reached at \$9.50 per hour.

"Microbusinesses and being self-employed is one way in which people can get out of poverty," Smolinski says. "Studies have shown, as their income increases, people move out of poverty and reduce their reliance on government assistance."

The program is proving true to its mission. Three-quarters of the program's services in 2004 went to low-income Bay Area residents. The 33 percent who didn't qualify for low-income status, on average, had a household income of \$50,000 a year. People of color and women made up 91 percent of the entrepreneurs program's clients in 2004, and 16 percent spoke English as their second language.

For people opening their own businesses, obtaining legal services is often cost-prohibitive and paralyzing, Smolinski says. That

was certainly the case for James Cooper, the owner of Coop's Associated Services, a sky-cap company operating at the San Jose International Airport. Cooper was one of the entrepreneurs program's first clients.

Cooper worked as a Delta Air Lines Inc. skycap for 36 years before a shoulder injury forced him to retire. He wanted to go into business for himself but didn't know where to start. Reading about startup companies at his local library, Cooper continuously came across the same mantra.

"If you have an idea of going into business, you'll want to get into something that you have knowledge of. Skycapping is what I was thinking," Cooper says. "Skycapping was beginning to die on the vine, airlines were hiring contractors, and contractors weren't teaching the young guys the old-school ways."

Cooper, 64, wanted to open a skycapping service with courteous, well-dressed employees. A librarian in Hayward helped Cooper put his business plan together. The Urban Development Corp., a now-defunct community development organization, referred him to the Lawyers' Committee.

"If enthusiasm was an important ingredient for success, I knew James would make it," Caleshu says. "He showed up at a community development organization with all his crew, at least 15 people."

Lawyers' Committee volunteers helped Cooper with forming a limited-liability company and negotiating contracts with airlines.

"We met with the CEOs. The lawyers association organized us, and we met with them," Cooper says. "And [the lawyers] were very helpful. They took time out with us and showed us what we needed to get started."

Coop's opened for business with three employees and its first airline contract in 2000.

"I teach a lot of the courtesy. If I'm friendly, if I smile and I'm dressed nice, if you left your mother with me waiting in a wheelchair while you packed the car, you would think this old guy is OK," Cooper says. "But if I have my cap on backwards and my shirt tail hanging out, you don't want your momma waiting with me. I look like I don't know what I'll do."

In five years, Cooper is especially proud that the company has never received a written complaint. The business has grown to serving five airlines with 24 employees today.

"James has done exactly what we had hoped. He's been able to make his employees managers, and they have an ownership stake in the business," Caleshu says.

According to Smolinski, Legal Services for Entrepreneurs strives to help clients that are committed to making a lasting effect in their communities. Clients are often referred to the program from a variety of community development organizations, such as the Small Business Administration. The clients fill out an application and are screened by the lawyers' committee to be matched with pro bono attorneys.

"They have to be able to articulate a business plan and are not just in the idea stage for us to deem if legal services are appropriate," Smolinski says.

The organization also evaluates whether clients are income-eligible and lacking the education or appropriate skills to get beyond their financial situation, Smolinski says. The business' location, if it will create jobs and for whom, and the community's benefit from the business are more requirements.

"We usually have two attorneys working with one client. Our clients rarely have one legal issue," Smolinski says. "If they need advice on incorporation and trademarks and leasing, they'll need a real estate lawyer, an IP lawyer and a corporate lawyer."

As vice-chair of the pro bono committee of the business law section of the American Bar Association, Carson says the lawyers' committee's program is truly a pioneer.

"Most business-law pro-bono programs represent nonprofits and community-based organizations that need legal assistance," Carson says. "[Legal Services for Entrepreneurs] takes that model and applies it to low-income neighborhoods."

He says the program takes the hassle out of screening clients who need assistance.

"Law firms don't have to set up their own internal screening processes. They can be comfortable that the client is low-income and meets the other requirements for pro bono," Carson says. "And there's a particular task to be accomplished."

Attorneys appreciate knowing exactly what they've volunteered for, Smolinski says.

"That's one thing that sets us apart; we're not providing general-counsel services," Smolinski says. "Instead, attorneys are working on discrete business-law issues."

Since the program began, it has served 400 clients. Laurie Hauber, a former Cooley Godward corporate attorney, opened a branch of the program, called the Economic Justice Project, through Boston's Lawyers' Committee for Civil Rights Under Law.

Hauber's also recently moved to Vanderbilt University Law School, where she launched the Community & Economic Development Clinic last spring.

Smolinski hopes that, through further outreach, the program can spread to additional cities. The program also is looking to expand its staffing.

Thanks to a \$50,000 gift from Buchalter, Nemer, Fields & Younger, the entrepreneurs program is poised to fund a part-time staff attorney, called the Buchalter LSE Fellow. The organization is looking for an experienced transactional attorney to serve a two-year term.



Photo by S. Todd Rogers

"If you have an idea of going into business, you'll want to get into something that you have knowledge of. Skycapping is what I was thinking," James Cooper, above, says of his plan. "When I decided to go into business, the dot-com era had just cropped up."

"It looked as though [the program] had reached into a community that was really underrepresented, a business community off the business radar screen," says Jim Wright, managing partner of Buchalter Nemer's San Francisco office.

Annually, the firm splits \$100,000 among its offices to give to projects. Buchalter Nemer now has four offices, with a new Phoenix outpost. Arizona's Anderson, Brody, Levinson & Weiser merged with Buchalter Nemer on March 1.

Legal Services for Entrepreneurs also is looking to take on wider-scale projects with a macro impact, like a West Oakland food

collaborative, Smolinski says.

The market, pooling foods from local family farms, is designed not only to provide healthy and affordable groceries but also to give the West Oakland residents who work there equity ownership in the store. Jarod Buna, an associate from Latham & Watkins, is working with the project.

Looking back, Caleshu says he predicted the success of the entrepreneurs program.

"I'm this terrible optimist," he says. "I had talked to enough people over the years and knew that there was a need that wasn't being met. Did I think it would be as successful as it has been? Probably not."

Fresh Start

Working pro bono, Bay Area transactional attorneys have helped more than 400 clients realize their small business dreams. Listed below is a sampling of businesses Legal Services for Entrepreneurs helped get off the ground.

3 Diamond Auto Body and Paint	auto body repair	510-532-6019
A-SERB Brothers Inc.	printing and embroidery referral services	415-671-2981
Alla Prima	intimate apparel	415-397-4077
Amaritan Health Center	chiropractic and nutrition practice	408-377-9555
American Construction Engineering & Supplies	wood door and floor sales	800-806-1223
Aunt Roe's Food Corp.	homemade barbecue sauces and marinades	415-830-8292
Bakesale Betty	bakery	510-289-5505
Body Divine	full-service massages and body treatments	510-677-7440
BRH Builders	general contractor for residential remodeling	415-282-5606
The Cat's Pajamas	novelty women's cotton pajamas	510-525-7111
Cafe Gaudi	cafe	415-255-9722
Camera Heaven	camera store and film developing	415-346-5169
Christel's Home Care Agency	home health care for the elderly	510-528-3970
Cicil's	café and deli	415-543-8515
Classic Collection	women's accessories and handmade jewelry	510-682-5799
A Clean Act to Follow	housekeeping services	415-587-0860
Clutch Works Etc.	automotive repair shop	408-226-9000
Collage	women's clothes and jewelry	415-256-2562
Costumes on Haight	costume rentals and clothes	415-621-1356
The Crepery	crepe restaurant	415-440-8035
Dora's Cleaning Service	house cleaning	415-271-6902
FOOT!	comedian-led walking tours	415-793-5378
Fruitvale Beauty Salon	hair salon	510-533-1290
Geometricks	handcrafted games and puzzles	www.geometricks.com
Georgann's Mythical Tea	custom cakes, organic teas and tea parties	415-861-4386
Handyman Construction Service	home remodeling, repair and inspection	415-310-9191
Home Health Advocates	home health care for the elderly	415-348-6272
Into the Blue	kites, toys and games	415-663-1147
JAK Designs	specialty knitwear	415-826-1113
JaniKing	office and house cleaning services	650-219-6269
Kaliente!	Mexican restaurant	510-223-8015
Marginal Design	custom packaging	510-533-4480
Mercado Brasil	grocery store specializing in Brazilian products	415-285-3520
Mi Fiesta Party Supplies & Rentals	party supply store	650-328-0438
Mission Union 76	gas station	650-991-2725
Moods & Attitudes Hair and Beauty Salon	hair salon	510-444-6584
Mrs. Brown's Crafts	multi-cultural dolls	510-536-2612
Name the Occasion	gift baskets	510-524-7500
Natural Harmony	homemade hair and skincare products	www.radianthealthnow.com
No Slippy Hair Clippy	decorative hair clips for kids	www.hairclippy.com
On the Move Staffing Services	temporary staffing	415-957-1137
Pink Stripes	women's clothing and candy store	415-642-4668
Restaurant Amor	Mexican Restaurant	510-278-0566
Serve Well Market	grocery store and deli	415-775-7426
The Shop	new and used clothing retail store	510-232-3007
Six Stars Cleaning	full-service janitorial company	510-266-3793
...somethingblue wedding consultation	wedding consultation	510-333-9093
Sophie's Crepes	crepe restaurant	415-929-7732
Soul Songs	customized songs	415-553-8120
Spark of History	photography	415-328-6410
Stitch	learn-to-sew studio and sewing materials	415-431-35EW
Twin's Children's Boutique	children's clothing store	408-885-9585
Uncle Frank's	BBQ restaurant	650-321-6369
Whistle-man Enterprises	whistle-themed decorative home products	415-543-1758
Young Players Association	basketball apparel and DVDs	510-435-3492