

To Buy or Not to Buy?

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Law and Practice Update

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INTRODUCTION

I began my legal career in 1991 articling with a large, downtown Edmonton law firm. I remained on as an Associate through the end of 1993. My practice consisted primarily of commercial and insurance defence litigation. I had very little direct dealings with clients and mostly did file work at the direction of other lawyers in the firm.

In the fall of 1993, I joined a sole practitioner in Spruce Grove, Alberta, my home town. Over the next nine years I developed a small firm practice doing Real Estate, Wills & Estates, Commercial Litigation, Collections and Personal Injury Litigation.

After an amicable parting of ways in 2002, I office-shared with another sole practitioner in Spruce Grove in his previously established premises. This relationship only lasted one year as in 2003 I acquired a modest sized office building complex in Spruce Grove and decided to set up on my own.

In the Fall of 2003, “Main Street Law Offices” was born on Main Street in Spruce Grove, Alberta. At the time the office consisted of myself, a conveyancer and two Assistants who had been with me for the full nine years prior. At the time, we occupied about 1,500 sq. ft. of a 4,000 sq. ft. footprint. I vividly recall thinking at the time that the 4,000 sq. ft. space would be more than enough for my lifetime. I was wrong.

In the Spring of 2013, Main Street Law Offices began operating as “Main Street Law LLP”, a partnership comprised of four Partners, five Associates and approximately 25 Support staff. We are spread out over three offices with a combined square footage of approximately 8,000 sq. ft. We have three Articling Students set to join us in 2014 and further growth appears inevitable. The growth over the past 10-years came in part from being at the center of an extremely vibrant, growing community. The growth has been managed through the addition of Articling Students in 2006, 2007 and 2008 (and now three planned for 2014), the hiring of Associates from other firms, a partnership “merger” and the acquisition of a small law practice on the west end of Edmonton. The remainder of this Article will focus on the acquisition of the Edmonton office and the lessons learned from it.

REASONS FOR THE INITIAL ACQUISITION

Sometime in the summer of 2007 I was reading through the classified ads in the Law Society’s Benchers’ Advisory. I noticed a small ad “Law Practice for Sale” and gave the number a call. The law practice turned out to be one based in west central Edmonton, a good fit for our Spruce Grove office as it was located approximately half way between our Spruce Grove office and the Court House. The lawyers were ones with whom I had previous professional dealings with and were a little bit familiar. Upon further investigation, I determined the office was one that did primarily Real Estate, Family Law, Wills and Estates and a small amount of Litigation; all perfect fits for the practices being conducted at Main Street Law Offices. Further investigation was warranted.

The office for sale consisted of two lawyers, one of whom was 70-years old and the other who was 60-years old. They conducted business on the same premises for almost 25-years as an informal partnership. The 70-year old lawyer knew it was time to retire, but was so actively engaged with his clients and generally committed to serving them the best that he could that he had delayed his retirement, probably a few years longer than needed. His motivation was not to “cash out” his law practice, but to ensure that it transitioned smoothly and efficiently to a successor so that his clients would continue to be well serviced, allowing him to retire with the peace of mind that there was no unfinished business to be worried about at a later time.

After some discussions, on February 1, 2008, the acquisition took place. At that time there were the two lawyers, two full-time assistants and a conveyancer. Within two months the conveyancer took a