

Conservative Business Model Made Firm Strong

By Emily Green

SACRAMENTO - Wendy York was 29 when a partner at the plaintiffs' firm where she worked walked into her office and told her disturbing news. The firm didn't have enough money to cover her next paycheck.

York was stunned and upset. She had no idea the firm was in financial trouble. Everything had seemed fine. It was an up-and-coming firm. They had a lot of clients. But the firm had expanded too much too fast and taken on too much debt. "My heart's racing, my mind's racing," York recalled. "I said, 'You have to pay me.'"

A mentor and friend encouraged York to start her own firm. He told her it was easiest to start young because she wouldn't have a lot of financial burdens and hadn't become accustomed to a certain salary level.

York took his advice. In June 1997, a self-described "baby lawyer" at the time, she created York Law Corp. with herself as the only member. To save on costs, she shared an office space and secretary with another lawyer. For a year, she didn't pay herself, investing every dollar she made back into the firm. Her now ex-husband helped support her.



She kept her clients from her old firm, agreeing to pay back her former associates whatever money they had already invested in the cases.

Fortunately for York, one of the cases turned out to be huge. It involved faulty sutures made by Ethicon Corp., one of the world's largest manufacturer of surgical sutures. York sued the company on behalf of a client who had major complications after routine surgery. York and her client claimed the use of sutures allegedly contaminated with bacteria led to the infections.

After a newspaper published a story about the lawsuits, York received interview requests from ABC, "Dateline" and "60 Minutes," whose news stories led to roughly 200 additional plaintiffs retaining York as their lawyer.

She won't say how much the cases settled for but acknowledged it was a substantial amount, and it provided her the financial and professional footing to grow her firm and establish herself as a formidable opponent.

"I guess I've just been blessed or in the right spot at the right time," York said, noting that the suture lawsuit turned into a "monster of a case."

But York's success is far more than a function of luck. In addition to her skills as an attorney, she has managed the firm deliberately and, most importantly, conservatively.

"The way I practice is to stay lean and mean," she said, "and not grow beyond my capacity."

She said the experience of doing without a paycheck at her old firm has driven many of her business decisions.

"I don't take on more than I can chew in terms of hiring a ton of folks, in part because of that experience," she said. "That's not where I want my stress to come from. I want my stress to come from the natural prosecution of cases."

York also refuses to take on lines of credit to finance the firm, a common practice at many companies, where lines of credit can rise into the millions.

Her uneasiness with debt was reaffirmed after she decided to shut down York Law Corp. and merge her budding practice with some former colleagues. Despite the prestige of the newly merged firm, the other partners didn't manage it conservatively enough for her comfort, so two years after its creation, she left with her associates to re-establish York Law Corp.

"If you don't think financially in the same manner, [managing a firm together] is going to be difficult," she said.

Today, York's offices are elegant without being ostentatious. She owns the firm's office building - an airy, one-story structure that includes a spacious boardroom.

The firm consists of three lawyers, including York; two law clerks; three support staff; a paralegal and an office manager, who is also York's best friend.

She has established the firm as a leader in elder abuse cases, in which elderly and psychologically impaired patients have been subject to abuse or mistreatment at nursing homes. In her first such case, in 1997, she represented the wife of a man repeatedly raped by other residents at his nursing home. The man had Wilhemsen-Lynch disease, a rare form of dementia, and died shortly after his wife found out about the incidents. The case settled for an undisclosed amount of money.

York, who is president of the Capitol City Trial Lawyers Association, estimates that since that case, she has sued "every nursing home chain" in Sacramento.

"We have a silver tsunami looming," she said, referring to the aging baby boom generation, "and we don't have the adequately trained staff and adequate facilities that are doing a good job to train for our seniors ... I want to feel, at the end of the day, I made a difference."