

# RESPONSE TO CRISIS

*A look at how specific industries rethink processes and products to survive and prosper in the coronavirus outbreak.*

**B**y now, Business Journal readers have recognized the disruption caused by the health crisis. The question becomes how can companies, managers, employees and clients change their processes or products to adapt to this economic shock?

In response, the Business Journal looked at several major industries in the Valley region. They range from obvious candidates to benefit from the crisis such as biotech research firms to those facing shutdowns, such as hotels. They represent legally designated “essential,” “non-essential” and hybrid businesses, such as construction.

Looking ahead, the question shifts to when and whether former business practices will become viable again. For several companies in this report, their survival appears on the bubble. A number of chief executives cite the federal stimulus bill, or CARES Act, as a way to achieve solvency for the next few months.

The Business Journal plans coverage of the CARES rollout, Small Business Administration loans and other recovery strategies in future issues as the recovery unfolds.

—Joel Russell



## Communication Up for Employment Lawyers

**LAW:** Firms utilize conference calls, email newsletters to keep clients on top of regulations.

By **AMY STULICK** Staff Reporter

**T**he virus pandemic, and its resultant changes in employment regulations, has prompted an avalanche of work for Valley law firms.

For **Sue Bendavid** and **Keith Zimmet**, both partners at Encino’s **Lewitt Hackman**, the coronavirus crisis has occasioned a flurry of conference calls with clients and business groups, and constant email newsletters detailing legislation at every level of government that impact employers.

“It wasn’t something planned in advance. I saw there was a need and I wanted to address that need. Everything is uncertain right now and I want to help how I can,” Bendavid said of her newsletters.



**Bendavid**

Employment lawyers are in such high demand right now – Bendavid told the Business Journal she’s often on the phone with clients from 7 a.m. until well past dinnertime on one conference call or another.

“There are many employers with questions and there are only 24 hours in the day. I’m trying to send out information as we learn it to help companies maneuver through these difficult and unsettling times,” added Bendavid.

“Law firms, like everyone else, have had to transform themselves very quickly into

telecommuting operations and had to read and analyze new laws, new rules, new orders that were coming at us at lightspeed,” said Zimmet. “From an employment law standpoint, some of these laws are temporary so it’s really just trying to get through a crisis right now. It’s unclear to me what the long-term effect is going to be on employment law, because so much of this is crisis management rather than fundamental changes in underlying employment law.”

Woodland Hills-based firm **Roxborough Pomerance Nye & Adreani** was lucky enough to work with a third-party consulting agency in February that specializes in planning in the law industry, so the partners simply implemented the consultant suggestions in March.

The firm handles employment law issues with a specialization in worker’s compensation.

“We’re lucky that we have that third-party consultant to guide us; they actually know our firm so when the coronavirus hit, we called up these experts and said, ‘By the way, you helped us on some other issues, what do you think?’” said **Nick Roxborough**, partner at the firm. “They gave us some great advice. We had already identified the problems and successes for our firm and put together a plan.”

Management started looking at the industry in which each client was in, and whether that industry would be impacted in a positive or negative way by the crisis, Roxborough said. He then identified clients with whom the firm had long term relationships.

### Talk with clients

Attorneys told the Business Journal that open communication is key, even if it’s about a sensitive subject like fee payments or a client’s financial situation, and long-term clients will remember the openness a firm shows during a time of crisis.

“Even the clients with the best of intentions will say ‘Don’t worry, I’m paying you.’ They

might get stuck because the people that owe them money all of a sudden aren’t paying them,” explained Roxborough. “Since none of our clients are in the business of printing money, the best of intentions go by the wayside. We’ve been very vigilant with setting up calls with the CEOs and CFOs to say ‘How are you doing, what can we do to help you?’”



**Roxborough**

Lack of due diligence could put the firm itself in a cash shortage.

“If you don’t do that, you’re putting all of your law firm’s assets at risk. Assets I’m talking about are the attorneys that work for you, legal assistants and everybody who supports you. You’re basically looking out for them,” added Roxborough.

Finally, like other law firms, Roxborough Pomerance implemented salary cuts from the top down, affecting its 22 employees. “We knew this was going to happen and we’ve had people that worked for us for 25 years,” Roxborough said of the tough decision.

Once those hard truths are presented to employees and clients, internal check-ins help a fragmented, remote-driven firm move forward on the same page.

While timesheets and multi-week check-ins may seem tedious and overbearing, they’re needed when a firm has 20-plus mobile offices and needs to be strategic with client cases.

“I want to see how cases are moving, I want to make sure we’re being efficient for our clients. That’s what we’re doing as a law firm, what I’ve implemented, and I’m on the phone a lot with clients on conference calls,” said Roxborough. “Now everyone needs to hear

voices; I think we, including myself, need to talk to people and gain an understanding as to what it is they need and how we can be there for them, and impose some financial realities on that relationship.”

For the folks at **Lewitt Hackman**, collaborations with organizations like the **Valley Industry and Commerce Association** help the business community move forward too and stay informed every step of the way.

In their most recent collaboration, Bendavid spoke at a virtual **VICA University** event April 7 where she covered employer concerns surrounding the pandemic.

### AB5 effect

The Roxborough firm, at least, expects increased support from the general public for anti-gig economy law **AB5**, with independent contractors unable to receive unemployment benefits and paid sick leave under the federal **Families First Coronavirus Response Act**.

California Assemblywoman **Lorena Gonzalez**, author of the initial bill, said **AB5** is designed “precisely for the moment we are in now,” according to a press release from the Woodland Hills firm, although gig giants **Uber** and **Lyft** have announced they will provide funds to compensate drivers quarantined or diagnosed with coronavirus.

But such benefits are not guaranteed for every independent contractor. That’s why Roxborough looks to a third category of worker, somewhere between an employee and independent contractor, to emerge that will bring stability for gig workers when it comes to benefits.

“I think that this will spark a very robust discussion in Sacramento. This is a really great opportunity to modify **AB5** and take it into the 21st century with the economic realities of California workers,” said Roxborough. “Like much legislation passed that is so impactful, they are often flawed.”