

Member Spotlight: Erwin Shustak

Determination and persistence are omnipotent... along with a burning desire to win for your clients.



Erwin Shustak is the founder and Managing Partner of Shustak, Reynolds & Partners. He heads the litigation and arbitration department, with over 40 years of extensive experience in a wide variety of complex disputes and transactions.

He specialises in litigations, trials, arbitrations and appeals of complex securities, financial and business disputes, with a particular emphasis in the areas of securities and financial services and regulation law. Few attorneys have the depth and range of his legal experience and judgment.

Erwin has handled and overseen several hundred litigations and arbitrations, in Federal and State Courts and arbitration forums across the USA.

A love of helping people who have been wronged, together with a belief in constant improvement, are the hallmarks of Erwin Shustak's 40-year career as a lawyer.

Whether representing an individual victim of a sophisticated financial organisation, or a company taken advantage of by a competitor, Erwin has always kept his values intact when accepting new clients.

He says: "Growing up, I could not tolerate bullies. I could not watch the stronger taking advantage of the weaker and I always felt an obligation to stand up for those who could not stand up for themselves. I was probably 12 or 13 when I decided I wanted to be a lawyer and, as I look back over the past 40 plus years, I realise this is what I was meant to do. It has been very satisfying and rewarding."

Erwin grew up in New York and spent the first half of his legal career in Manhattan. After a short stint at one of the city's powerhouse firms, he founded his own firm, renting a large office on Park Avenue and working seven days a week. He hired a secretary for four hours a week to do his typing and took on every case that came his way, realising there was plenty of work for a young, hungry lawyer in New York City.

He says this was where he honed his litigation skills and earned his reputation as an aggressive lawyer with no fear of taking on the big boys at trial, a reputation that continued as his firm grew to where he is now the founder and managing partner of Shustak, Reynolds & Partners.

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"I turned down large settlement offers and took virtually every case to trial. I tried all kinds of cases, jury and bench trials, state and federal courts and arbitration forums all across the country. I was tenacious and made sure I was more prepared than anyone else. It paid off in my early years when I won most of the cases I tried and argued. I was always professional, but inside I had a burning desire to win and obtain justice for my clients."

A willingness to embrace change is one of Erwin's strengths and he has used that to good effect in crafting a vision for his personal and professional life. After several decades of practising in New York he decided he wanted a change of lifestyle and moved his family to San Diego where he opened the firm's California office. Things took off quicker than expected and, within a few years, more of the firm was in California than New York. "There was a definite need in Southern California for lawyers with

our particular skill set in securities, financial and complex business disputes," he reflects.

"I was living well in Manhattan and our practice was thriving. We were fortunate to have attracted many high profile and well known clients, including a number of Fortune 500 companies. Our practice had become national, handling cases across the country. Technology was changing the practice of law and it became easier to do what we do from virtually anywhere. One day I was on a bus going up Madison Avenue in winter. It was hot on the crowded bus and something just snapped - I decided it was time to move. I told my partners I would reposition the firm to be bi-coastal and, within nine months, I had moved to a beautiful city by the ocean with West Coast clients flooding in."

His personal vision complete, Erwin set about fine tuning the practice with the help of a business consultant who helped to shape his firm into a more efficient, profitable enterprise.

"I always thought I was a good businessman, but, about four years ago, I met and hired a business consultant to look at our firm both internally and from the outside in; from the client's perspective."

"We no longer wake up every morning and say 'how do you do that?' From a client perspective, everything is extremely simple and client friendly, our profit margins have increased dramatically and everyone at the firm is much happier."

"The results were better than expected and the firm is now very well organised. From a client's first con-

tact through completion, everything is very systematised so we are not reinventing the wheel every time. We have an extensive firm manual that details every aspect of our business. We no longer wake up every morning and say 'how do you do that?' Everything is extremely simple and client friendly, our profit margins have increased dramatically and everyone at the firm is much happier."

One of Erwin's big passions is contingency work, which allows him to take on more of the cases he believes in. He has developed a hybrid system, which involves taking a fixed, minimum, up-front fee and then a percentage of any monies secured from settlement or trial. "Not every country permits contingency fees and it is a tremendous benefit to our clients who cannot afford a full blown litigation, against a deep-pocketed adversary", he says.

Around a third of his firm's cases are done on a hybrid contingency basis, and Erwin believes the system gives clients access to competent lawyers they might not be able to afford if they were paying on an hourly basis. It also keeps them honest, since they 'have skin in the game'.

He says: "We are currently representing a businessman who spent 30 years of his life building a successful business. When he decided to sell his business and retire, he found a buyer through a New York investment bank which suggested he hire a big New York law firm to handle the transaction. The law firm, however, failed to conduct any due diligence on the buyer, a nascent public company, despite the fact 80 per cent of the purchase price was deferred and dependant on the financial viability of the buyer and the value of its stock. It turned out the buying entity was a complete sham, utilising a Ponzi scheme to artificially inflate the value of its stock. Within five months of the closing, the Chairman of the Board was arrested; the buyer shut down by the SEC, and 80 per cent of the purchase price was never paid."

"We normally don't sue lawyers, but this firm completely dropped the ball while internally congratulating themselves on securing a substantial fee from our client. The firm had 12 timekeepers working on the transaction, yet no one did any due diligence on the buyer or its senior management, all of whom had an extensive history of prior suits for securities law violations.

"Our client lost about USD10 million dollars and I have no doubt we will recover a substantial portion of that for him. He could not afford to pay us to litigate the case on a straight hourly basis and the hybrid fee arrangement we offered, allowed him to mount an aggressive litigation without going bankrupt in the process."

Erwin prides himself on his availability and responsiveness to new and existing clients. He makes a point of regularly contacting clients about their cases before they ring him, and always tries to return every call and email the same day to show clients he is actively thinking about them. "In 40 years of practice, no one ever has told me that I am difficult to reach. Clients are amazed to hear from me even when there is nothing to report about their cases. I just like to check in with them since I know how stressful lawsuits and litigation can be."

This dedication over 40 years of practice has won Shustak, Reynolds & Partners many awards and recognitions, including the prestigious U.S. News & World Report award for 'Best Law Firm in America', an award Erwin has coveted for years, since it has only been bestowed on 2 per cent of law practices in the USA.

He concludes: "I am extremely pleased to receive this award, which I see as the culmination of my legal career and the reward for a lifetime of honest, hardworking dedication to our clients."



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Shustak Reynolds & Partners, P.C., is a specialty law firm with a national practice focused on securities and business law, financial services law and business and securities litigation and arbitration. Our offices in San Diego, Irvine, Los Angeles, San Francisco and New York City allow our firm to represent clients locally and throughout the country.

For over 39 years, we have provided the highest quality, results oriented advice and legal representation possible while ensuring our clients receive the highest level of personal attention and service.