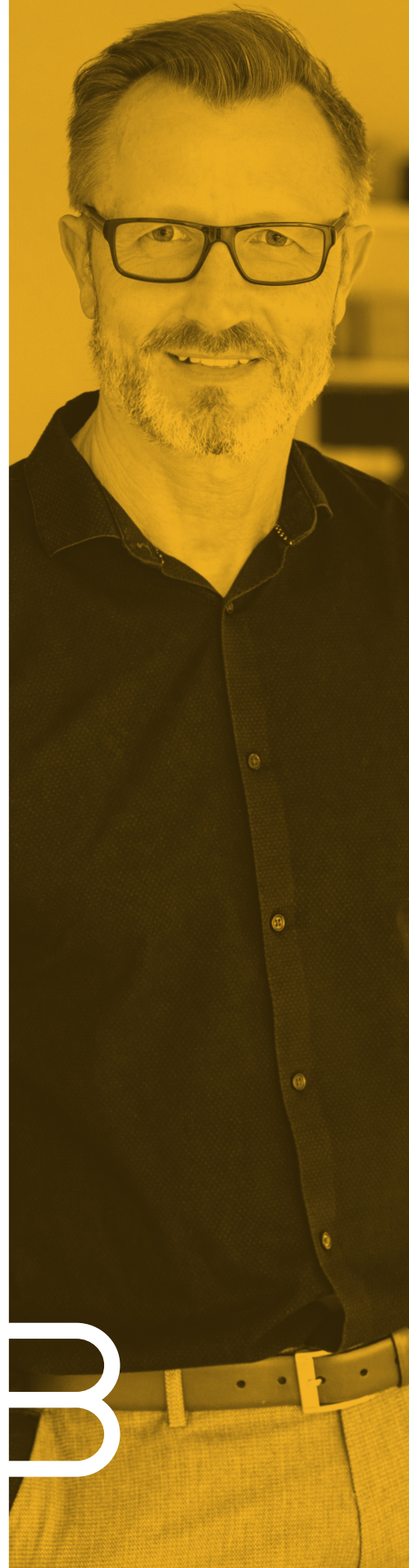




Kreindler & Kreindler

Leveraging Your
Bank to Grow
Into a \$20 Billion
Law Firm



Overview.

Since 1950, Kreindler & Kreindler (www.kreindler.com) has specialized in aviation disaster litigation. The firm's partners literally wrote the book on aviation accidents – a treatise entitled *Aviation Accident Law*. Over the years, Kreindler & Kreindler has litigated against some of the world's largest corporations from their offices in New York, California, and Massachusetts, recovering some \$20 billion for its clients.

A familiar challenge.

Kreindler & Kreindler is a leader in aviation accident law, thanks in part to the firm's senior partners being former military pilots from all branches of the US armed forces. They represent thousands of victims with claims to the September 11th Victim Compensation Fund, created by an Act of Congress in exchange for the victims' families' agreements not to litigate against the airline corporations involved. Their high-profile cases have enabled the firm to win \$20 billion of client compensation.

Like many contingency fee law firms, for decades Kreindler & Kreindler's partners paid case costs out of their own pockets. They frequently supported between \$5 million and \$10 million dollars in cost outlays. Once the firm decided to pursue financing, they chose one of America's largest institutional banks.

As the firm set their sights on larger cases, Kreindler & Kreindler's partners sensed a steady stacking of issues with their bank that ultimately made them feel unimportant and de-prioritized. The bank imposed increasingly stricter covenants on the firm. They required the firm's partners to invest their private capital into the bank's investment arm, stipulating that they could then only borrow up to the amount they invested. The firm's partners felt they were paying to borrow their own money instead of paying their case costs outright without going through the bank.

“Our firm has settled \$20 billion worth of cases, and we previously deposited all of these settlement proceeds at our prior bank. You would think that kind of business with a bank would carry forward year to year and buy you some love. Yet, we found the bank was less interested in our relationship, and the business side of our practice, and more interested in our individual and personal deposits.”

Noah Kushlefsky, *Managing Partner, Kreindler & Kreindler*

Kreindler & Kreindler's previous bank only considered the firm's past two years of business results when determining the credit facility they qualified for, not grasping that as the firm aggressively pursued bigger cases that would lengthen case durations. The large-scale litigation Kreindler & Kreindler specializes in assumes bigger cases take longer to resolve but net the firm appropriately large fees. Kreindler & Kreindler's prior bank did not have the expertise to evaluate or value the firm's case inventory properly.

Although law firm credit regulations had evolved and Kreindler & Kreindler's business grew steadily, their previous bank did not have the foresight or flexibility to offer a tailored solution to support their ambitions to grow their business.

A unique solution.

Esquire Bank offers flexible solutions tailored to each law firm's needs and growth stage. Esquire's Working Capital Line of Credit offers firms the capital to invest in growth, whether it is marketing to build their brand or technology to improve productivity. The Case Cost Line of Credit allows firms to pay for essential case expenses, while freeing up cash flow for further investment in growth.

When Esquire Bank first approached Kreindler & Kreindler several years ago, the firm's partners initially hesitated. The firm was accustomed to working with an institutional bank. The partners had an institutional approach to their business which tended to resist change.

Frustration with their previous bank boiled over, and Kreindler & Kreindler chose to take on a Working Capital Line of Credit with Esquire Bank, leaving their deposit business at their prior bank. From the start, they were delighted by the differences they saw, discovering that Esquire did not charge many of the fees their past bank levied. Nor were they subject to onerous covenants that required partners to invest their personal funds with the bank.

Esquire Bank's flexibility, its high-touch, high-tech customer service, and its willingness to extend credit to Kreindler & Kreindler even without their deposit business was a vast improvement from their previous banking relationship. So much so that they started directing their 9-digit Qualified Settlement Fund deposits to Esquire.

With their deposit business safely in the hands of Esquire Bank and a Working Capital Line of Credit, Kreindler & Kreindler focused on investing in their business operations and marketing to build their brand and grow intakes.

For years, Kreindler & Kreindler's partners prided themselves in their ability to self-fund case expenses. When Esquire Bank introduced them to the Case Cost Line of Credit, they saw how affordable taking on case cost financing could be — essentially at 0% net cost to the firm. Kreindler & Kreindler uses their case cost financing judiciously, only opting to finance expenses for cases which they know will be successful.

“Our firm can quickly assess the cases which will be successful, when we think it should be successful, and when we hope it can be successful. We borrow for case costs when we know we will be successful.”

Noah Kushlefsky, *Managing Partner, Kreindler & Kreindler*

Esquire Bank assesses a law firm's eligibility for financing using several factors, including the firm's current and future courtroom success, and its case inventory value. Past success in the courtroom is an excellent indicator of future success. A steadily growing case inventory value demonstrates that the firm is focused on landing the next multi-million-dollar case. Unlike other banks, Esquire can annually assess Kreindler & Kreindler's case inventory over a six-, twelve-, and eighteen-month continuum. The bank reacts in real-time to extend greater credit facility when the law firm needs it most. Partnering with Esquire Bank has allowed Kreindler & Kreindler to grow on their own terms.

A Winning Result.

In 2003, Kreindler & Kreindler set a single aviation disaster settlement record — obtaining nearly \$3 billion for their clients from the Libya and Pan Am lawsuits arising from the bombing of Flight 103 over Lockerbie, Scotland. This record still stands today.

In the years since Kreindler & Kreindler began partnering with Esquire Bank, the firm has continued to be extremely successful, taking on several high-profile cases such as plaintiffs from the Boeing 737 Max 8 accident in Ethiopia and thousands of cases involving victims of the September 11th attack.

“The story of Kreindler & Kreindler’s relationship with Esquire Bank is one of an established, successful firm that needed the capital to protect their clients and a better relationship with a bank who wouldn’t require onerous covenants that would restrict a law firm’s partners from their daily lives, and that of their practice, from thriving.”

Noah Kushlefsky, *Managing Partner, Kreindler & Kreindler*



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