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New law firm offers investors, advisers alternative billing rates

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Chicago attorney James J. Eccleston sees growth in the areas of representing investors and financial advisers on a national basis.

So, last week, Eccleston, along with two other lawyers and an office manager, opened Eccleston Law Offices P.C. in Chicago. The other attorneys with the new firm are Christopher J. Moyen and Ronald M. Amato.

"We are incredibly excited and driven to serve the needs of our clients and to offer an expanded menu of services that will benefit investors and advisers nationwide," Eccleston said.

For about the past nine years, Eccleston was a shareholder at Shaheen, Novoselsky, Staat, Filipowski & Eccleston P.C. Amato worked as an associate with the Shaheen, Novoselsky firm and Moyen was counsel there.

The Shaheen, Novoselsky firm increasingly served the needs of small and medium businesses, along with banking institutions and preferred an hourly billing rate, Eccleston said.

"That billing arrangement did not sit well with many of our clients," Eccleston said. "So we decided that both philosophically and practically speaking, we need to launch a new firm that offered alternative fee arrangements.

"The other reason [for opening the firm] is that the identity of the securities practice group was not being conveyed as effectively due to other practice areas of the firm," Eccleston said.

As for the departure from the Shaheen, Novoselsky firm, Eccleston said, "It came as a surprise to them and we have since worked together to resolve our differences."

Steven C. Filipowski, president of the firm now known as Shaheen, Novoselsky, Staat & Filipowski P.C., said firm members wish their former colleagues well.

"We have had an increasingly difficult time managing or avoiding conflicts of interest," Filipowski said. "So, in retrospect it would seem natural that [Eccleston] would want to move."

Eccleston said he and his colleagues have identified some key growth areas in both the investor and financial adviser businesses.

Last year, 23,000 financial advisers changed jobs, Eccleston said. Eccleston and his colleagues worked with financial advisers in their transitions from one firm to another, he said.

"The growth in that area was hindered by my \$500-an-hour rate at my old firm," Eccleston said. "So, our firm has launched a fixed fee program, which is \$2,500 for transition services."

Amato said he believes that currently there are numerous opportunities to represent investors and financial advisers in various types of matters.

"I think moving away from a firm that traditionally has been a corporate law firm, focusing on billable hours, gives us more flexibility in the type of matters that we can handle," Amato said.

Other expected growth areas include the increasing number of brokers leaving large brokerage firms to start their own investment advisory firms, Eccleston said.

"As they do that, they need our legal and compliance services," Eccleston said.

As for investors, Eccleston said brokers leave large firms where supervision is strict and move to independent firms where supervision can be lax.



James J. Eccleston

"This gives unscrupulous brokers an opportunity to abuse customers," Eccleston said. "This can include unsuitable investments, as well as speculative and even Ponzi-scheme-type investments."

Another growth opportunity relates to the Dodd-Frank Wall Street Reform and Consumer Protection Act, which will impose fiduciary duties on financial advisers requiring them to act in the best interests of their clients, Eccleston said.

"There will be a whole host of issues arising from those increased duties," Eccleston said.

Eccleston regularly writes columns about issues relating to investors and financial advisers in the Chicago Daily Law Bulletin and Chicago Lawyer magazine.