

For Immediate Release
See Below for Contact Information
June 1, 2001

First Baby Boomer to Head N.Y. State Bar Association Will Work to Restore Trust and Confidence in the Legal Profession

• **Westchester lawyer sets ambitious agenda.**

ALBANY - He chases storms throughout the southern plains states. He has a near encyclopedic knowledge of the exploits of Monty and the Desert Fox. His license plate reads "ALAMEIN" after the site of a climactic World War II battle between British and Axis forces. As a partner in one of New York's largest law firms, he represents such clients as the NBA, NHL and Major League Soccer. He was a Wagnerian tenor in a former career. And today (June 1) Manhattan lawyer Steven C. Krane becomes the youngest president in the 125-year history of the nation's largest voluntary state bar association.

During his one-year term as president, Krane intends to direct his attention toward initiatives that will increase public trust and confidence in the legal profession: such as efforts to attract more members of minority groups into the practice of law, re-igniting lawyers' passion for pro bono work (free legal representation for the poor) and bar association activity, and support for legislation to open the attorney discipline system to the public.

He will also work to help lawyers prepare to serve the future legal needs of clients, help young lawyers find ways to deal with massive student loan debts and to help both newly admitted and veteran lawyers make better use of technology in their day-to-day practices.

Last January, the House of Delegates, the Association's policy-making body, formally elected him president of the 67,000-member New York State Bar Association (NYSBA).

As president-elect (June 2000-May 2001) he chaired the House of Delegates and the Special Association House Committee, co-chaired the President's Committee on Access to Justice (civil legal services for the poor) and was vice-chair of both the Special Committee on the Future of the Profession and the Special Committee on the Law Governing Firm Structure and Operation.

A resident of Pound Ridge (Westchester County), Krane is a graduate of SUNY at Stony Brook (1978), where he was elected to Phi Beta Kappa, and earned his law degree from New York University School of Law (1981).

A partner in the Litigation and Dispute Resolution Department of Proskauer Rose LLP, Krane has litigated major cases for the National Hockey League, Major League Soccer and the National Basketball Association. He also regularly represents law firms and individual attorneys in disciplinary and professional responsibility matters.

A member of the House of Delegates since 1996, he has served as a member-at-large of the state bar's Executive Committee. Krane chaired the Special Committee to Review the Code of Professional Responsibility, the Committee on Standards of Attorney Conduct and the Task Force on Simplification. He served on the Membership, Mass Disaster Response, Professional Ethics, and

EX "E-1"

Courts of Appellate Jurisdiction committees and the Electronic Communications Task Force.

While serving as chair of the Special Committee to Review the Code of Professional Responsibility (1995-2000), Krane shepherded major changes in the Code, which governs the daily behavior of New York lawyers, through the House and the courts. He also represented the state bar on the Office of Court Administration's Task Force on Attorney Professionalism and Conduct.

Krane served as a hearing panel chair and referee for the Departmental Disciplinary Committee, First Judicial Department, and is a grievance panel chair for the Committee on Grievances of the U.S. District Court for the Southern District of New York. He is a member of the Federalist Society (New York Chapter Steering Committee), American Law Institute and a Fellow of both The New York and American Bar foundations.

Krane has written and lectured extensively on attorney ethics issues. For several years he taught professional responsibility at Columbia University School of Law and he taught sports law to MBA students at Georgia Tech. Krane served as a law clerk to then New York Court of Appeals Judge Judith S. Kaye (1984-1985).

For further information, reporters can contact Frank Ciervo at (518) 487-5532 or send an e-mail to fciervo@nysba.org.

[News Release Table of Contents](#)

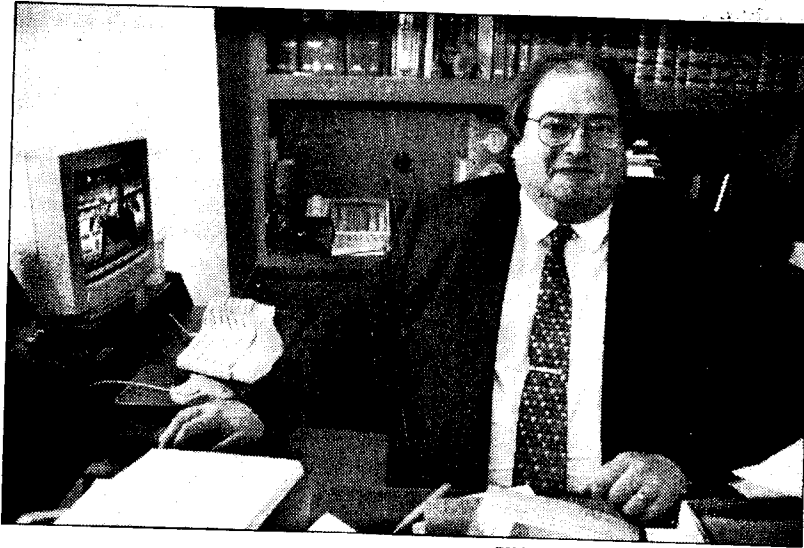
[News Release Archives](#)

[News Bureau](#)

[NYSBA's Home Page](#)

NEW YORK, MONDAY, JUNE 11, 2001

■ LAW JOURNAL PROFILE ■



PHOTOGRAPH BY ELIZABETH LIPPMAN

The New York State Bar Association's new president, Steven C. Krane.

New State Bar President Champions Openness, Service

BY JOHN CAHER

ALBANY — In its 125 year history, it is unlikely that the New York State Bar Association has ever had a president quite like Steven C. Krane.

Mr. Krane, a onetime Wagnerian tenor and Phi Beta Kappa who clerked for now Chief Judge Judith S. Kaye and litigates for major professional sports leagues, is a golden retriever-loving, World War II buff and legal ethics expert who chases storms through southern plains states for fun and has rubbed shoulders with figures as diverse as basketball superstar Patrick Ewing and Islamic lawyers loyal to the fanatical Ayatullah Ruhollah Khomeini. And at 44, Mr. Krane also happens to be the youngest person ever to serve as president of the largest voluntary bar in the nation.

The litigation partner at Proskauer Rose LLP in Manhattan came into his State Bar office June 1 with an agenda as unusual, diverse and unlikely as his resume.

He is daring the profession to open its disciplinary proceedings to the public, challenging the state to establish a bonding authority to help young lawyers and other professionals pay off their school loans so they can afford to take public service jobs. He is also nudging firms to lessen their quest for billable hours and make sure associates have the opportunity to fulfill their pro bono commitments, and he wants to give representatives of minority and women bars a seat on the State Bar's policymaking House of Delegates.

"I hope a year from now when people look at the State Bar, they will say, 'He made things better for lawyers, for the public, for the justice system.' That's all I can hope for," Mr. Krane said.

If Mr. Krane's plans seem downright exhausting, well, admirers say, that is no surprise — because Steve Krane is tireless.

Continued on page 6, column 4

State Bar President Champions Openness

Continued from page 1, column 4

"Steven is extremely hard working," said Paul Michael Hassett, who preceded Mr. Krane as president and under whom Mr. Krane served for a year as president-elect. "I have tremendous admiration for Steve Krane. He is one of the most intelligent people I have ever known, and he works extremely hard. He has a lot of talents and a lot of interests and is very interesting to be around."

A resident of Pound Ridge in Westchester County, Mr. Krane grew up in Nassau County. Even as a youth on Long Island, Mr. Krane had an uncommon passion for whatever happened to arouse his interest. And his interests tended to be aroused by eclectic pursuits.

"I was browsing around the public library one day and thought, 'Gee, I wonder what opera is like?' and found the biggest opera I could find in the record collection," Mr. Krane recalled. "It was Parsifal by Wagner. I took it home and listened to it and was just awestruck. I was 12 years old. From then on, I devoured everything I could get my hands on that related to opera."

He was consumed by "the power, the energy, the range of emotion" in operas like his all-time favorite, Richard Wagner's drama of forbidden love, "Tristan und Isolde." Until about 10 years ago, Mr. Krane performed professionally, specializing in Italian and German operatic repertoire.

The law taps another side of his personality, the argumentative side. After graduating Phi Beta Kappa from the State University of New York at Stony Brook, where he studied political science and music, Mr. Krane enrolled in New York University School of Law.

"I was always taking opposite sides from other people in school just for the purposes of having a good argument," Mr. Krane said. "Whether I really believed it or not, it was fun to argue and try to persuade. At an early age, I felt that [law] was a direction I could head in."

The Kayes

Just after his 1981 graduation, Mr. Krane joined the Proskauer firm, where he worked under partner Stephen R. Kaye in the litigation department.

"Very early in his career, Steve exhibited extraordinary legal intellectual skills — analytical skills with respect to the law combined with what I would describe as a love of the law," Mr. Kaye said.

In 1983, Mr. Kaye and several other partners brought along the promising young associate when they went to The Hague for one of the first trials before the Iran-U.S. claims tribunal, a forum established in the wake of the revolution. Proskauer's client, Starrett Hous-

ing Corp., was seeking compensation for a luxury condominium project that had been appropriated by Ayatollah Khomeini's Republic of Iran.

"There I was, in my second year out of law school, in The Hague dealing with international arbitrators and Iranian lawyers who had pictures of Ayatollah Khomeini all over the place," Mr. Krane said.

The recovery for Starrett Housing was a whopping \$59 million. After that, Mr. Kaye recommended the young associate for a clerkship with his wife, who had recently become an associate judge on the Court of Appeals.

"Former clerk?" now Chief Judge Kaye responded when asked recently about the clerk who left her chambers to return to Proskauer 16 years ago. "Nonsense. He is my law clerk and is always my law clerk. He is so sharp, so very skilled. Steve was a genuine gift from the Proskauer firm. I always felt so well-prepared in every respect . . . He was probably the earliest technologically proficient law clerk in the history of the Court of Appeals. He is very, very technological. He did everything by computer when the rest of us were still dealing with carbon paper."

Back at Proskauer Rose, Mr. Krane resumed a practice that was increasingly focused on two areas: sports and legal professionalism. Proskauer represents management in professional sports cases and lawyers and law firms in disciplinary matters.

Sports Law Practice

Mr. Krane is a lifelong fan of the Boston teams — an example, he says, of his contrarian side since he has spent his entire life in the jurisdiction of the New York teams. And he has represented the National Basketball Association, the National Hockey League, Major League Baseball, Major League Soccer and the Women's National Basketball Association. He was involved with antitrust lawsuits that led to the NBA's 1988 and 1994 collective bargaining agreements, the 1991 arbitration concerning Mr. Ewing's claimed status as an unrestricted free agent and the 1995 campaign to decertify the union. In between, he successfully lobbied Congress for the Professional and Amateur Sports Program Act of 1992, which prohibits most sports betting.

"Back in 1991 when Patrick Ewing was trying to get out of a contract [with the New York Knicks], we had a day-long arbitration in a secret location, a hotel suite where the press immediately tracked us down," Mr. Krane recalled. "I chatted with Patrick Ewing during the lunch break and he was such a gentleman and so gracious,

even though I was there working for the other side, that I really became a fan and always wanted to see him succeed."

Now, Mr. Krane is representing the NHL in a racketeering case brought by former players suing the league and Alan Eagleson, the former executive director of the players' union. In that suit, the players accuse the NHL and owners of allowing Mr. Eagleson to divert money from the union in exchange for concessions in collective bargaining.

He has also spent over four years defending Major League Soccer in a lawsuit where the players are challenging the structure of league as a single limited liability company. Since the league, rather than the individual teams, employs the athletes and assigns them to one of the 12 teams, the players claim they are captive to a closed system in violation of antitrust laws. A jury decided in December that the league was not operating as a monopoly. The matter is currently under appeal to the U.S. Court of Appeals for the First Circuit in Boston.

Legal Ethics Issues

Mr. Krane got involved in ethics issues, and ultimately the State Bar, largely because of Mr. Kaye.

In early 1985, Mr. Kaye was chairman of the ethics committee of the Association of the Bar of the City of New York when he asked Mr. Krane to serve as secretary. Mr. Krane was enthralled with ethics issues and, characteristically, immersed himself in the broad topic, joining "every ethics and professional responsibility related committee that would have me."

Mr. Kaye said Mr. Krane combines an abiding respect for the core values "with a modern view of professional practice, youthful enthusiasm and idealism."

Eventually, Mr. Krane's interest in matters of professionalism and ethics led to the State Bar, where his frequent dealings with the House of Delegates provided the connections and exposure that resulted in his election as president. His plans are, to say the least, ambitious, and may well prove to be highly controversial.

The proposal to open the disciplinary process to the public, a concept the Office of Court Administration endorses but the State Bar has consistently opposed, is to Mr. Krane a "personal crusade," and one which he views as vital to maintaining confidence in the profession, the only one of 32 licensed professions in New York State that has self-policing powers and responsibilities.

"We are a self-regulatory profession and we will only be able to keep that privilege for as long as we exercise it responsibly," Mr. Krane said. "It is very important for us not to appear that we are hiding our problems or hiding how we deal with them. We have nothing to hide."

Mr. Krane would open the process only after an Appellate Division justice has found probable cause and the prosecuted attorney has an opportunity to be heard. "At that point, I would suggest the process be opened to allow the public and the press to come in and see how we do things, to see the fact that there are lawyers and nonlawyers participating in the hearing process and to see that we do take care of our own problems."

To achieve that goal, Mr. Krane will need to convince not only the members of his own house, but the two houses of the Legislature. Yet he is confident that if he can go to the capitol with the blessings of both the State Bar and the Judiciary, the Legislature will be hard-pressed to turn him down.

Another major goal is to rekindle the spirit of lawyers to take part in pro bono and bar association activities. The key here, Mr. Krane said, is selling large-firm partners on the benefits of encouraging associates to get involved, and in convincing the best and brightest of the young associates that they have the leverage to demand that their employer support and not merely suffer their involvement in professional activities.

"I am going to ask large firms around the state to give me five minutes at sometime during my term, just five minutes, to come to a partnership meeting and speak to them about the importance of facilitating pro bono service and bar association activities by their young lawyers," Mr. Krane said. "I will personally go around the state and try to spread that message as much as possible."

Dove-tailing that initiative is a plan to help young professionals — lawyers, physicians and others — inclined to work in public service pay off their school debts. Currently, Mr. Krane said, the average debt load for law school graduates is around \$80,000, a burden that is an impediment to going into public service or public interest law. Mr. Krane is exploring ways to create a statewide bonding authority supported through private investments to assist emerging professionals. It is his expectation that such a program could be run entirely with private dollars.

Mr. Krane also has hopes of diversifying both the profession and the bar association. He plans a community outreach effort, perhaps through a full-time diversity coordination office within the State Bar, to encourage minorities to study law. He also hopes to bring the leadership of minority and women's bars directly into the State Bar power structure by offering them a seat on the House of Delegates.

"I want to seat them in the House so they are included in the discussions of State Bar policy, so they have an equal voice on the issues and so we have the benefit of their views every time we take a position. I want to send a message: You are important to us, we care about what you think, so come and join us in the House of Delegates."

Mr. Krane and his wife, Faith, have two children, Elizabeth, 12, and Cameron, 7.

Hassett Ends Term Focused On Multidisciplinary Practice

BY JOHN CAHER

ALBANY — When Paul Michael Hassett took over as president of the New York State Bar Association last year, it was pretty clear that the issue that would define his presidency was the sizzling debate over multidisciplinary practice. One year later, and largely because of the efforts of the State Bar, New York is at the national forefront on the issue.

Shortly, the Appellate Divisions are likely to adopt a new set of disciplinary rules that would allow attorneys to engage in side-by-side strategic business alliances with nonlawyers. The proposed rules seek to recognize the modern reality that lawyers and nonlawyers are going to enter into business relationships, while maintaining a degree of control. They resulted directly from the State Bar's bellwether report, "Preserving the Core Values of the American Legal Profession," and a unanimous vote of the policymaking House of Delegates in November.

In a formal sense, the multidisciplinary practice issue was thrust on bar leaders after the American Bar Association in 1999 floated a proposal that would have shattered the time-honored barrier against attorney and non-attorney alliances.

The New York State Bar Association responded quickly and thoroughly, with what became known as the "MacCrate Report," named for the prime author, Robert MacCrate, a former president of both the State Bar and the ABA. Mr. MacCrate's committee conducted exhaustive research and produced a hefty report that was so compelling that it became a national model, and was instrumental in the position taken by the ABA at its annual meeting in Manhattan. By a decisive 314-106 vote, the ABA rejected a proposal backed by large accounting firms, corporate counsel groups and the U.S. Chamber of Commerce.

"The continuing issue of multidisciplinary practice didn't begin in my year, but our success at the ABA was on my watch and it was a thrilling moment for our association to have authored the major report on MDP in the United States and elsewhere, and to have that report become the foundation for our national bar association's position was a great accomplishment," said Mr. Hassett, of Brown & Kelly LLP in Buffalo.

Mr. Hassett said, however, that multidisciplinary practice remains an ongoing professional concern.

"There are those who think the ABA's position on this issue doesn't matter, and I think they are right

because the ABA doesn't make policy for individual bars or individual states," said Mr. Hassett. "The recommendations for changes in our disciplinary rules are now before the Appellate Divisions and I am hopeful they will be adopted. That would be a major accomplishment. New York being the first state to regulate multidisciplinary practice will be something that I hope will be done before the ABA next meets in August."

Mr. Hassett said the goal is not to prohibit MDP, but to regulate it "so the client is protected. The only things we would ban are having nonlawyers be partners in firms that dispense legal services and the sharing of legal fees with people who are not lawyers. Other than that, there is a reality out there that we neither intend nor want to stop."

Also during Mr. Hassett's tenure, the organization adopted a major new position favoring cameras in the courts with no requirement for consent of the parties, and called for a moratorium on the death penalty. It has also been a leader in what may finally be a successful effort to increase assigned counsel rates, and it saw its membership expand while other bar association's shrank.

"We have continued to grow and came almost to 72,000 members in April, and that is in an environment where we are constantly told that our organizations and associations are losing members," Mr. Hassett said. "We must be doing something right. We are continuing to be relevant to our member's needs."

For example, Mr. Hassett said, the State Bar has responded to the need created by mandatory continuing legal education. He said the organization will shortly begin offering CLE on-line.

Mr. Hassett said he expects the association and profession to continue to progress incrementally.

"I don't see any major shifts in what we do," Mr. Hassett said. "The profession, despite predictions to the contrary, really doesn't change all that rapidly. It has changed dramatically in my 35 years but it is probably not much different today than it was a year ago, while it is certainly different from what it was five and 10 years ago."

Mr. Hassett said his year at the helm was busy, but more invigorating than exhausting.

"It was wonderful," he said. "Lawyers are very interesting people and I got a chance to meet thousands of them. One of the biggest jobs of the president is to be visible, to go meetings and dinners and show the flag. And that is probably the most enjoyable part of the job."