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## EMBATTLED LAW CENTER TO SHUT DOWN

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SAN DIEGO - High-profile lawyer Kerry Steigerwalt gave it his all, but he can no longer sustain the Pacific Law Center, which he built up on a risky business model that floundered in a sour economy.

The controversial La Jolla-based center, known for its glitzy TV ads promising clients little or no money down for legal work, has pulled all of that advertising and stopped accepting new clients for its largely criminal defense, bankruptcy and personal injury practice.

"I intend to take care of the clients we have, and wind the operation down," Steigerwalt said. "Little or no money down is fine in a thriving economy when people make payment commitments, but it's challenging when people have economic hardships themselves."

San Diego attorney Kerry Armstrong, who worked for Steigerwalt for nearly a dozen years but quit prior to Steigerwalt taking over majority ownership of the center in 2008, said the economy was only part of the problem.

"He didn't surround himself with the proper people to do it the right way," Armstrong said. "The business model might work selling cars, but it's never going to work in the law."

The center often attracted bad credit risks.

"Criminal defendants put a little money down, and they go to jail or prison, and they quit paying their bills, and this is especially true in a bad economy," Armstrong said. "It's hurt us all, but especially his firm."

The center's reputation also suffered as disgruntled clients filed lawsuits against it. Armstrong complained the center intake staff tried to steal away prospective clients who called the center looking for his services after he and Steigerwalt parted ways.

"It was a huge problem between Kerry

and me," Armstrong said. "I must have called him five or six times, saying, 'You guys are ripping me off. Fix it.' They never fixed it. It was blatant lying. Anything to make a buck over there."

Steigerwalt doesn't remember it that way, saying the center's intake workers did not try to mislead anyone.

"It was a very short-lived problem, shortly after I took over the firm," he said. "It was an innocent mistake."

Armstrong did not to take legal action.

"He was such a good friend, that I didn't want to do that," he said.

Armstrong also praised Steigerwalt's skill.

"He is a great lawyer, and one of the best I ever met," Armstrong said. "He's a natural in front of a jury."

Michael Crowley, past president of the San Diego Criminal Defense Bar Association, was not surprised the center is closing.

"Anybody who comes in with a business model that severely sacrifices the personal relationships between attorneys and clients is doomed to fail," he said.

Crowley, who serves as a volunteer arbitrator for the San Diego County Bar Association, handled several fee disputes involving clients of the center who felt that they didn't get their money's worth.

As for Steigerwalt's complaints of bad debts, Crowley said, "They got every bit of money that they could out of people." He added: "I like Kerry a lot, and I think that he's a good attorney. Many of the attorneys working there were good attorneys. It's the business model that doesn't work."

Steigerwalt said the operation and reputation of the center improved under his watch.

"The business model, when I took it over, it was my belief that it needed repair in the area of high-quality lawyers and staff," he said. "We made tremendous adjustments. Absolutely, 100 percent, we did improve the reputation. I don't think a single judge in the criminal courthouse is complaining about our lawyers or their representation of clients. We've gotten tremendous results in the past two years."

Shaun Martin, who teaches civil procedure and professional ethics at the University of San Diego School of Law, also blamed the economy for the center's woes.

"The Pacific Law Center has always had a model of performing volume legal work, which means lots of cases - often simple ones - and lots and lots of advertising," he said. "When business is going good, that model can make a lot of money. But it involves risks, and I assume that right now the volume of cases just isn't there to justify the expense."

A high-volume firm, he said, is difficult to administer.

"You have lots of clients you have to satisfy, and in this particular case, lots of complaints and lawsuits against you that you have to deal with," Martin said.

Steigerwalt said he plans to open a small law firm in San Diego in the future.

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