

# DAILY BUSINESS REVIEW

## Oldest law firm rode wave of Miami's growth

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The story of Miami's rise as a major center of commerce can be told through the prism of Shutts & Bowen.

Miami's oldest law firm started just a decade or so after Miami was incorporated and rode the same booms and busts as the city through the decades.

The firm opened in 1910, the year Frank Shutts, a 40-year-old Indianapolis litigator, arrived in Miami for what he thought was a temporary appointment as receiver for the failed Fort Dallas National Bank of Miami. He wound up staying after his client, railroad magnate Henry Flagler, made him an offer he couldn't refuse.

Setting up shop in the Burdines department store building, Shutts' initial partners were Henry Atkinson and William Pruden Smith. Atkinson became a judge, and Smith left to become mayor of Miami.

Indianapolis colleague Crate Bowen joined Shutts in 1912. The firm was first named Shutts Smith & Bowen and later Shutts & Bowen. The pair formed a solid



**Shutts & Bowen opened in 1910 in the Burdines department store building.**

team, with Shutts the personable rainmaker and Bowen the reserved lawyer who ran day-to-day operations.

After buying the Morning New Record and renaming it The Miami Herald, Shutts became the city's premiere power bro-

ker. Every dignitary who came to town, from presidents to generals, would stop by the Herald to have a picture taken with Shutts. He spent mornings at the law firm and afternoons at the newspaper.

Among his historic accomplishments: heading Miami's first telephone company, persuading Carl Fisher to develop Miami Beach and negotiating the city's purchase of Bayfront Park and the construction of the Tamiami Trail and Dixie Highway. During its first decade, Shutts & Bowen rep-

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resented many Miami pioneers, including Flagler, Fisher and the Bank of Biscayne.

Bowen famously turned down an appointment to the federal bench in 1929, telling President Calvin Coolidge, "I just want to practice law."

The 1920s was a decade of growth for Miami fueled by real estate speculation. During that period, John S. Benz was the firm's principal trial lawyer and Frank A. Watson became the firm's corporate lawyer. Sherman Minton joined as an associate in 1925. He later returned to his native Indiana and became a U.S. senator and a U.S. Supreme Court justice.

In 1926, receipts totaled \$409,976, a record that would not be broken for 20 years, according to the book "A Centennial History" published by the firm last year.

To help staffers and associates who couldn't buy into the land boom, the firm bought an apartment building near the future Orange Bowl, calling it Shutts & Bowen Apartments.

Then came the hurricane of 1926, the stock market crash of 1929 and the Great Depression. Shutts & Bowen receipts fell to \$290,615 in 1927. While other firms failed, Shutts managed to ride out the bust by downsizing. Some attorneys were laid off.

In 1937, L.C. Childress joined the firm as managing partner and served for more than 30 years.

Shutts attorneys Hal P. Dekle, Ray H. Pearson and Grady L. Crawford were appointed to the state court bench.

## POSTWAR BOOM

After World War II, the population of Dade County surged to 500,000 in 1950. Shutts again rode the wave, doubling in size to about 20 lawyers. With the deaths of Shutts and Bowen in the 1950s, a new generation of leaders took over, promoting greater diversity and a widening of practice areas.

After hundreds of thousands of Cubans arrived in Miami in the 1960s, the firm hired Spanish-speaking secretaries to assist the new client base.

South Florida's economy was up and down in the 1970s, with high inflation and gas prices ameliorated by growing Latin American business. Partners like Bowman Brown focused on expanding the firm's banking and international tax practices. Brown helped write a 1977 state law allowing foreign banks to operate in Florida and

pushed a 1979 law that allowed foreign banks to accept deposits from nonresidents.

In the 1980s, Shutts was courted by law firms seeking a merger partner but turned them down, deciding to remain independent. In the 1990s, former Miami Mayor Xavier Suarez joined the firm while Alex Penelas left the firm to become county mayor.

With another bursting real estate bubble in the 21st century, the firm made the strategic decision not to expand outside Florida.

Tim Murphy, a partner since 1976 and the firm's resident historian, cites several reasons for the firm's survival and success. For one thing, while Shutts maintained a line of credit, it refused to borrow money to pay partners.

"That's why a lot of them went under," Murphy said of other firms. "If we had a bad year, we had a bad year, and the partners took it on the chin."

Shutts also made sure the profit pie was divided fairly to prevent infighting.

"That's the main reason why partners leave," Murphy said, noting the firm has enjoyed little turnover through the years.

Lastly, the law firm made sure no one client constituted more than 40 percent of the firm's business. Other law firms with too many eggs in one basket wound up closing when a big client failed, he said.

"We've changed with the times as far as our method of operation," Murphy said. "But we've had a firm culture that has survived. We have grown up with Miami."

### SHUTTS & BOWEN'S EARLY LAWYERS

1910: Frank Shutts

1910: Henry Atkinson

1911: William Pruden Smith

1912: Crate Bowen

1913: H.H. Eyles

1915: W.L. Freeland

1915: L.F. Snediger

1916: G.C. McClure

1918: John S. Benz

1919: J.P. Simmons

1920: Harold M. Wilson

1920: Preston G. Prevatt

1922: L.S. Julian