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Pugh put his law firm on a mission

By John Flynn Rooney
Law Bulletin staff writer

At a young age, [Stephen H. Pugh](#) followed a religious calling.

The president of Pugh, Jones & Johnson P.C. and his seven siblings were raised mostly by a widowed mother in apartments at the Cabrini-Green housing project on the Near North Side. Pugh's father died when he was 5 years old.

Pugh was baptized as a Roman Catholic at age 10 after a Catholic church's members evangelized at Cabrini-Green. Following his baptism, Pugh admired the dedication and calling shown by priests and nuns.

So at age 14, he entered the Servite Seminary and studied at St. Joseph Minor Seminary in Chicago for four years. He next spent a year studying in California.

Then, he moved overseas and studied for two years at a monastery in Benburb, Northern Ireland.

"The seminary gave me not just an education but also some structure of a religious upbringing," Pugh said. "I had never been in a place that was 90 percent white and where you lived and grew up with people.



Stephen H. Pugh

President, Pugh, Jones & Johnson P.C.

Location: Chicago; satellite office in New York City

Revenue: Declined to reveal 2014 number

Lawyers: 22

Age: 72

Law school: Loyola University Chicago School of Law, 1973

Organizations: Chairman, board of directors, Cook County Justice for Children; trustee, Illinois College of Optometry; chairman, founding member, Jewish-Black Business Alliance; co-chairman, Business Leadership Council, ABLE Business Development Committee; board member, Chicago Citizens for Change

Interests: Playing golf, traveling nationally and internationally

"All of those experiences provide the foundation for where I am today."

During his last three years of study, including the final one in Rome, Pugh took the temporary vows of poverty, chastity and obedience.

In 1965, he was asked to take permanent vows while he was in Rome.

"I was not ready to make that commitment," Pugh said.

He returned to the U.S., and following a four-year stint in the Air Force, he attended Loyola University Chicago School of Law.

After becoming a lawyer, he worked for 18 months as a law clerk for the late U.S. district judge James B. Parsons. He next worked for the U.S.

Department of Justice's organized crime section and as a member of its Chicago strike force.

In 1978, he was hired as Chapman and Cutler LLP's first racial minority lawyer. During Pugh's final seven years there, he developed a practice focused on representing government entities in issuing bonds.

Pugh's bond transactions have ranged from \$1 million to \$10 billion deals. His current practice also involves business and government-related litigation.

In 1991, Pugh co-founded Pugh, Jones & Johnson with [Walter Jones Jr.](#) They were joined by three other lawyers.

The firm now has 22 lawyers and bills itself as one of the largest minority-owned and managed law firms in the Midwest. A total of 60 percent of the firm's lawyers are black, 10 to 15 percent are Latino and the rest are from other ethnic backgrounds.

Pugh, Jones & Johnson's clients include IBM Credit, Blue Cross Blue Shield Association, Aon, the state of Illinois, city of Chicago and Cook County.

In his role as the firm's president, Pugh oversees the overall management of the firm's lawyers and staff. He makes all the firm's substantive decisions, including hiring lawyers, along with Jones and their fellow name partner, [Dennis P.W. Johnson](#).

In a conversation with the Daily Law Bulletin, Pugh discussed launching a law firm, how the bond counsel market has changed and the "catch-and-release" program for minority lawyers at some large law firms.

Law Bulletin: Why did you decide to start your own firm, rather than stay at a large law firm?

Pugh: For myself, it was a change at a time 24 years ago that I felt I had to make. I was one of the

very few minority partners at a majority law firm in Chicago.

I needed to decide if I wanted to spend the rest of my career ... attempting to penetrate the glass ceiling or to try and start something that the market would respond to.

Also, my partner, Walter Jones, had a significant reputation as a trial lawyer coming from the U.S. attorney's office as the chief of the criminal and civil divisions.

LB: What advantages does a minority-owned law firm have in the local legal market?

Pugh: We started the firm at a time that there was a push for diversity that the majority law firms were not responding to.

There were very few corporate minority firms. At the time, the Federal Deposit Insurance Corp. was seeking more minority lawyers to handle litigation.

We decided because of that effort and others to take advantage of the marketplace need.

By 1992, we were doing work with Hopkins & Sutter for the FDIC. Also, many of the lawyers performing the co-bond counsel role did not have the training that I had received at Chapman and Cutler.

LB: What are your major goals as the firm's president?

Pugh: The major goal has always been to provide excellent legal services comparable to, if not better than, the major law firms and to couple that with two hands-on service for clients.

We also wanted to demonstrate to the Chicago legal community that diversity is not only possible, but desirable. We followed that by not only hiring African-Americans, but also Latinos, Caucasians and others.

LB: What are the current trends in public finance law and bond deals?

Pugh: The one thing you see is that there are fewer firms competing in those areas because the public bodies reduced legal fees significantly over the past 10 years.

But we have expanded our market to include more bond issuers in New York, St. Louis and Arkansas. As other firms leave the market, we're attempting to bring in more deals through geographical expansion.

LB: What types of work do the firm's lawyers do in New York, other than serve as inspector general for the Waterfront Commission of New York Harbor?

Pugh: We have been chosen by the New York State Housing Finance Agency and are working on a bond deal for them. We also work with Holland & Knight LLP in the energy law field for the Long Island Power Authority.

LB: What was the firm's involvement in the federal *Shakman* patronage litigation and consent decree?

Pugh: To represent the Chicago City Council to make sure that the aldermen followed the hiring practices laid out in the *Shakman* consent decree. We started representing them about six years ago.

It's pretty much resolved because the city has been able to satisfy the requirements of the *Shakman* decree.

LB: What has been the main challenge in operating a minority-owned firm for more than 20 years?

Pugh: The most difficult challenge is to break that barrier to see that lawyers of color are not just equal but better than many lawyers out there and to not just judge us on our color.

LB: What is the solution to that challenge?

Pugh: We have to make sure there are true opportunities for all people. Very often you can get minority lawyers to join large law firms, but they are gone within two or three years. That's known as the "catch-and-release" program.

At many large firms, there is not a structure when they hire a lawyer of color to make sure they're moving through the firm to become partners and managers.

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