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Rider on the storm

A near-death sailing experience steered Bruce Paulsen towards maritime law, writes **Rajesh Joshi**

> **Shipping faces years of acerbic** disputes and lawsuits “because this is what happens when people run out of cash regardless of the industry they are in”, according to Seward & Kissel litigation partner Bruce Paulsen.

“Shipping is likely to stay in recession for a while longer,” he tells *IHS Fairplay*. “Many new ships have been delivered; most will last for 25 years. Freight rates, vessel values and loan-to-value ratios are through the floor.

“In such a market, people fight, people cheat, people run out of money. Sadly, there will be bankruptcies and securities claims. Some companies will go out of business.”

This should mean lucrative times for Paulsen, a renowned ‘all-rounder’ for his work on sanctions, ship foreclosures, piracy, and securities litigation.

Ironically, Paulsen entered adulthood with a strong

‘The key is to be **nimble** and **always focus** on where things are headed’

inclination to go nowhere near a law textbook. As a 22-year-old Columbia University graduate in 1980, he fancied himself a freelance writer and penned the occasional story for *Yachting* magazine to support his claim.

A self-confessed sailing bum, he planned to become a journalist. However, fate intervened in the shape of the *Mariah*. Paulsen first saw the schooner and her master at a repair yard in the Bronx, where he taught sailing on City Island. He soon talked his way aboard and became one of the *Mariah's* crew as she sailed south for the charter season in St Thomas in the US Virgin Islands.

Superstorm Sandy ravaged the New York-New Jersey shoreline in October 2012. Almost exactly 32 years before, the *Mariah* was caught in a similarly ferocious nor'easter. The wind and waves proved too much for the boat and she began taking on water. One by one her bilge pumps failed, forcing the crew to bail using buckets.

Alerted via Amver, the US Coast Guard flew in three replacement pumps, but on a C-130 transport aircraft instead of a helicopter. This prevented a proper air-drop, and all three pumps vanished into the sea.

An H-3 helicopter arrived six hours later with another pump, but by now the water on board the *Mariah* was chest-high. The H-3 crew abandoned any idea of dropping the pump and initiated a rescue attempt by lowering a basket. Only two crew members could be rescued before worsening conditions and the *Mariah's* 29m mast led to the operation being called off.

USCG cutter *Alert* arrived the following day and rescued the remaining crew, including Paulsen, by launching a rigid inflatable boat manned by two frogmen. The *Mariah* sank that night.

This near-death experience led to a life-changing decision. "As a boy and in college, the last thing I ever wanted to do was become a maritime lawyer like my father," he says. "But the *Mariah* turned me serious about life and I decided to go to law school."

Paulsen's father Gordon had drilled into Bruce and his two sisters the maxim: "You can be a lawyer if you can read and write."

Gordon Paulsen, who died in 2008 at the

age of 91, was a successful maritime lawyer in post-Second World War New York. One of his better known cases was the *Stockholm*, which he represented in the 1956 collision with the *Andrea Dorea* off Nantucket, an island 30 miles south of Cape Cod, Massachusetts.

"My father believed everyone should become a maritime lawyer – he was an evangelist for maritime practice," Paulsen recalls. But the younger Paulsen never saw himself joining his father's firm. "I did not want to be in his shadow."

After graduating in 1985 from Tulane, New Orleans, he joined prominent maritime firm Burlingham Underwood & Lord. When he began work, shipping was already in recession. Then in the late 1980s, things got even tougher in maritime practice. This sparked another decision and Paulsen joined commercial firm Parker Chapin in 1989 to "broaden my skills".

Parker Chapin "beat me into shape and made me a real lawyer", he recalls, allowing him to handle a variety of business problems beyond shipping. The stint paid off. He reverted to maritime practice as the economy improved, joining Nourse & Bowles in 1992.

In 1997, Seward & Kissel was looking for a seasoned maritime lawyer who could also foreclose on ship mortgages. Paulsen's CV proved "attractive and different", and he has been with the company ever since.

"This has worked very well. The firm has allowed me to develop a sophisticated maritime practice while also handling non-marine litigations," says Paulsen, who credits his success to "staying in front of developments and building a

practice around it". He adds: "The world changes, economies change, and what gets litigated changes. The key is to be nimble and always focus on where things are headed."

In recent years, he has built a reputation advising companies such as Eagle Bulk and DryShips in their battles against securities fraud allegations. He was among the first to identify this as a growing litigation trend.

In 2010, he identified sanctions against Iran as a major issue, and built a client base around that speciality. Before that, he started acquiring more piracy-related work and he claims to have handled more piracy cases than any other US maritime lawyer.

Paulsen and business partner Larry Rutkowski represented the first US-owned ship hijacked by modern pirates – which was not the Hollywood-trumpeted *Maersk Alabama*.

Rutkowski and Paulsen spent several tense months advising shipowner James Christodoulou on legal and logistical issues while he negotiated with the Somali pirates who had hijacked his tanker *Biscaglia* in November 2008. In January 2009, a ransom was air-dropped to secure the release of 28 crew members.

The piracy issue has put Paulsen in the public eye. The week after the release of the movie *Captain Phillips*, US crew were taken hostage off Nigeria. Paulsen appeared on the Fox News morning

broadcast, explaining the ramifications of this act of piracy. The self-proclaimed sailing bum has come a long way. **F**

> Bruce Paulsen

Key decision: Using the 1987-1990 shipping recession to add commercial litigation experience to his skill set. "I returned to maritime law firms with an unconventional CV, which has allowed me to do both things that I wanted to do – a fully-fledged maritime practice and interesting non-maritime litigation"

Born: 1958

Home: New York

Current position: Litigation partner, Seward & Kissel

Career:

1997: Maritime and commercial litigator, Seward & Kissel

1994-1997: Partner, Nourse & Bowles

1992-1994 Associate, Nourse & Bowles

1989-1992 Associate, Parker Chapin

1985-1989 Associate, Burlingham Underwood & Lord

Education: JD, Tulane University, New Orleans (1985), BA in American history, Columbia University (1980)

Hobbies: Competitive sailing; owns a two-man, high-performance sport boat

Family: His daughter Anna, adopted from China, is now more a New Yorker than Paulsen himself

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