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ALM

LITIGATION

Boutique
of the Year

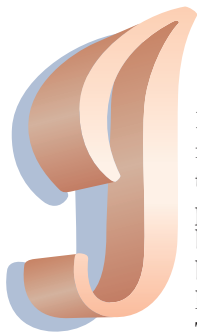


Finalist

BECK, REDDEN

For our *finalists*,
it's not the *size* that
matters, it's the *skill*.
Also the joy of *success*.

Small Is Beautiful



IN AN ERA WHEN LAW FIRMS feel an almost biological imperative to grow larger, there is still one practice area where some of the best clients send some of their best work to some of the smallest law firms: big-stakes litigation.

This is a high-profile anomaly, one that brings intense interest, competition, and even a bit of envy from colleagues working in firms that are now the size of villages.

But who is doing the best work? Who is playing at the highest level, in the cases with the biggest impact, for clients who can afford to hire anyone? To find out, we decided to hold our first Litigation Boutique of the Year contest, a competition open to firms who were not members of The Am Law 200.

We invited the firms to report on their litigation records between January 1, 2003, and June 30, 2004. Specifically we asked for up to five examples of "significant achievements" in a broad range of litigation activities. In addition, we asked for client references, names of opposing counsel, and a list of firm partners who tried cases to verdict during that time period.

We winnowed the candidates and supplemented their submissions with reporting. We developed a shortlist of five finalists and then visited each of them, offering these master advocates the chance to make their case.

The contest was very close. One caveat: We were judging a specific 18-month time period, not a law firm's oeuvre. Our special report features the winning firm, the runner-up, and the other three finalists, plus three microfirms whose

work and approach seemed particularly interesting.

These firms manage to combine cutting-edge technologies, palpable tastes for risk, and an old-fashioned sense of partnership. The rewards are obvious: Their clients are stellar, and so are their profits. The partners are more than names on a Web site: They don't need name tags at summer outings. That's not an accident: Many fled large firms to rid themselves of conflicts or anonymous alienation. Some just wanted the pleasure of uncertainty. And, best of all for those with the metabolism of gunfighters, they often get to try their cases, not just litigate them.

They say they're determined to stay small. And their very scale drives—and changes—almost everything. They don't have to hire platoons of young lawyers for pretrial trench warfare. They are content to cede the document churn to their megafirm cocounsel. They add lawyers as needed, by ones and twos, typically bringing on federal court clerks they hope will grow into partners. Think how different a firm's atmosphere would be if associates were not regarded as fungible but as the future.

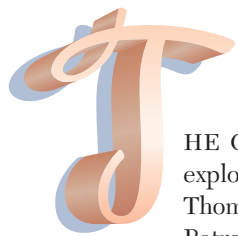
Because they're small and focused, their clients tend to come only with important problems. And, because they're small and don't aspire to a full-service menu, they get referrals, especially from lawyers who don't have enough Xanax on hand to face a trial judge.

One more thing. We can't say these firms are sharper or more loyal or harder-working than the average Am Law 200 outfit. But after a month's worth of interviews, we've never met a group of litigators who seem happier. —ARIC PRESS

Texas Hardball

BY ALISON FRANKEL

Beck, Redden isn't afraid of settling its *disputes* in courtroom showdowns.



THE CHIEF EXECUTIVE officer of an oil and gas exploration company called T-Bar-X Limited Co., D. Thomas Barrow, had a serious problem with Anadarko Petroleum Corporation. Barrow had agreed to share highly confidential oil field development research with Anadarko. But after he signed the contracts, Barrow came to believe not only that Anadarko had lied to get him to sign, but also that his supposed partner was secretly sharing T-Bar-X's research with competitors. So Barrow went looking for a lawyer. He talked to a friend, a former partner at Vinson & Elkins, who told him the best lawyer in Houston was David Beck, a lean and ramrod-straight 64-year-old who heads a 33-lawyer firm, Beck, Redden & Secrest.

Barrow hired Beck, and was quickly persuaded that his friend was right. In December 2003 Beck and another lawyer at his firm, Jim Taylor, won a \$140 million verdict for T-Bar-X—\$40 million in actual damages and \$100 million in punitives. (Anadarko is appealing.) “For a little firm they sure made enough money for me,” Barrow says.

Barrow wasn't the first and surely won't be the last Texan to conclude that Beck, Redden & Secrest is the smartest choice of law firm if you're planning to appear in a Texas courtroom. Since January 2003, Beck, Redden's platoon

has won case after case for clients any Am Law 100 firm would be proud to represent. For CMS Marketing Services & Trading Company, name partner Joe Redden, Jr., won a summary judgment that disposed of a \$50 million breach of contract claim. For Compaq Computer Corporation, Beck and Alistair Dawson went to the Texas Supreme Court to win the decertification of a nationwide class of owners of Compaq PCs—a case brought by the same plaintiffs lawyers who won a \$2.1 billion settlement of similar claims against Toshiba Corporation in 2000. For 3M Company, Inc., W. Curtis Webb secured three defense verdicts in product liability trials



BECK, REDDEN

SIZE 9 partners, 12 of counsel, 12 associates

FOUNDED 1992

FIRM ORIGIN Spun off from Fulbright & Jaworski.

UP NEXT Defending the American Bureau of Shipping, Inc., in federal court in New York and state court in Texas against \$2 billion in claims by Spain stemming from a tanker accident and oil spill off the Spanish coast (Beck, Redden is cocounsel with two New York firms); defending Exxon Mobil in Alabama class action alleging underpayment of royalties in Alabama oil field.

DAVID BECK (LEFT)
AND JOE REDDEN, JR.

involving dust masks and respirators. Beck, Redden lawyers “are courageous and unflappable,” says 3M general counsel Thomas Boardman. “They are the steely-eyed gunslingers when you have to go to the middle of the street at high noon.”

The firm was created very much in the steely-eyed image of Beck and Redden, 53. In 1992 they and Ronald Secrest, who has since died, broke away from Fulbright & Jaworski. Beck, a senior Fulbright partner, decided he wanted to practice at a litigation-only boutique. “We’d seen the full-service firm, all the administrative issues it raises,” he says. “We wanted everyone pulling in the same direction.” For Redden, a younger partner than Beck, there was risk in giving up what he calls “a guaranteed good living” at Fulbright, but in fact the boutique had more work than it could handle almost from the beginning. Two of Beck’s biggest sources of business, Exxon Corporation and Browning-Ferris Industries, Inc., funneled work to him, and later in 1992 3M hired Redden to defend the company in breast implant cases across Texas. “It was a huge volume of work,” Redden says. “It did help pay the bills,” adds Beck. (The firm is about to undertake a similar engagement, representing Wyeth as lead trial counsel in hundreds of fen-phen trials in Beaumont, Texas.)

Keeping the firm on the roster of outside counsel for Exxon Mobil Corporation after the merger between Exxon and Mobil Corporation was an easy decision. Beck and several younger lawyers at the firm also represented Mobil. Beck, Redden defended Mobil’s workers’ compensation system in a decade-long series of cases that finally concluded in 2003, when the firm obtained a Fifth Circuit affirmance of summary judgment for Mobil.

Beck and Redden have structured their boutique like a big firm, with a bank of associates and of counsel supporting partners, of whom there are now nine; an eight-year partnership track; and hourly rate billing (Beck’s top rate is \$550). Most of their work is similar to what they handled at Fulbright—defending corporations, with the occasional white-collar case or legal malpractice defense thrown into the mix. When Beck, Redden acts as plaintiffs counsel, it’s almost always in business cases, such as the T-Bar-X suit and a \$9 million securities fraud verdict that Redden recently won for some investors who were fraudulently induced to sell stock options in a telecom company.

The difference between what they do now and what they did at Fulbright, Beck says, is one of philosophy. “I’m always thinking, ‘What’s going to happen when we get to trial?’” says Beck, who was



Finalist

BECK, REDDEN

lead counsel in two trials in the last two years—the \$140 million T-Bar-X win and *Boren v. Perkins*, in which he obtained a defense verdict in Texas state court for a bank president sued for civil fraud. “I don’t handle my cases any differently if there’s a major New York firm involved. . . . Sure, they can throw associates at it. [But] sooner or later, we’re going to get to the courthouse.” Beck, Redden is frequently engaged to act as cocounsel with much bigger firms, but the firm refuses to be considered local counsel. In a major arbitration for Dow Engineering Company, for instance, Beck and Taylor worked with Mayer, Brown, Rowe & Maw to defend a \$120 million negligence claim for cost overruns in the construction of a power plant in Europe. Davis Polk & Wardwell represented the plaintiff, the project’s main contractor. The arbitration panel awarded Dow \$5 million—and Beck was lead counsel.

So far, Beck and Redden haven’t had to do much long-range planning. Training is on-the-job. The firm has no real growth strategy, and there are no women partners and no formal pro bono program. In the next five years, Beck says, the firm will probably be at about 50 lawyers, but he’s not sure whether they will all be in Houston or elsewhere in Texas and beyond. He is sure, however, that they’ll be handling the same high-stakes litigation for corporate defendants in trouble. “We’ve got a market niche,” Beck says. “And it’s a good market niche.”

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