

New Trial Boutique Eschews Billable Hours, Partner Track

By **Aebra Coe**

Law360 (October 15, 2018, 6:36 PM EDT) -- Thirteen litigators have left McKool Smith to form Reichman Jorgensen LLP, a new trial boutique with offices in New York, Silicon Valley and Atlanta, leaving behind not only their previous law firm but also the billable hour as the new firm operates solely on an alternative fee basis, the firm announced Monday.

Seven partners and six associates make up the new law firm, led by managing partner Courtland Reichman, a longtime intellectual property litigator. The firm plans to serve clients in high-stakes commercial and intellectual property litigation.

In addition to its decision to eschew the billable hour in favor of alternative fees, the law firm will also incorporate other unconventional elements into its business model, the announcement said, forgoing common law firm traditions like lockstep compensation and the partnership track.

"We designed this firm to be disruptive — to include the best attributes of highly sophisticated law firms and to dismiss the worst, setting a new standard for clients facing the most complex litigation challenges," Reichman said.

He added that the idea to eliminate the billable hour from the law firm's business model was based on client demand.

Clients "hate the billable hour because you're out of alignment with them. It rewards inefficiency and mediocrity," he said.

Reichman, who is based in California, is name partner of the law firm alongside Sarah Jorgensen, an Atlanta-based litigator who focuses her practice on complex tort, commercial and intellectual property litigation. Jorgensen served as a clerk for U.S. Supreme Court Chief Justice William H. Rehnquist and was a partner at both Kellogg Hansen Todd Figel & Frederick PLLC and McKool Smith before co-founding the new firm.

Reichman previously managed the California offices of McKool Smith and King & Spalding LLP and led King & Spalding's intellectual property group.

Together, Reichman and Jorgensen have tried cases for a range of clients across the country, according to the firm, including Arconic, Alcoa, Sempra, 3M, FleetCor, Immersion and The Coca-Cola Company.

Some of the qualities of the new law firm its founders say make it different include that it will operate using only flat- and success-based fees, not hourly fees, as well as the elimination of lockstep compensation and the partnership track in favor of advancement on an individualized basis.

Associate pay, according to the law firm, will exceed the Cravath compensation scale. An official announcement of the exact pay scale is forthcoming, according to Reichman, but he says base pay will exceed Cravath Swaine & Moore LLP, while incentive-based pay will exceed that and will “have no ceiling.”

He emphasized the importance of rewarding associates for “exceptional” work such as bringing in a large client or case.

“The difference-maker in trial work is people,” Reichman said. “It’s a war for talent and we plan to win the war.”

The law firm also touted its diversity as something that sets it apart from others in the industry, noting that a majority of its attorneys are of diverse backgrounds, and most of its partnership is comprised of women.

“We’re proud to launch a firm built for the future,” Jorgensen said in a statement Monday. “From our representation to our resources, we are providing clients a new and unparalleled experience.”

The new law firm has entered into a strategic alliance with national litigation law firm Kellogg Hansen, which allows it to expand the resources available to it as it serves clients in litigation as the law firms plan to work on cases together, Reichman told Law360.

“It gives us the flexibility to have 100 all-star lawyers available to help with cases and allows them to access our help when they need it,” he said.

--Editing by Joe Phalon.

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