

Litigation Boutique Spins Off From McKool Smith, Promising Innovative Model

Reichman Jorgensen, with offices in Silicon Valley, Atlanta and New York, is promising to eschew hourly billing and to pay associates on a scale higher than Cravath's.

By Christine Simmons and Xiumei Dong

A 13-attorney group has spun off of McKool Smith to create a litigation boutique, Reichman Jorgensen, opening Monday in Silicon Valley, Atlanta and New York.

The seven-partner boutique, led by Courtland Reichman and Sarah Jorgensen, will focus on complex commercial litigation and patent cases. It has also formed an alliance with Kellogg, Hansen, Todd, Figel & Frederick, where Jorgensen started her private practice career, to staff and pitch cases when needed.

Reichman will split his time between the firm's Silicon Valley and Atlanta offices. Jorgensen will be based mainly in Atlanta.

So far, the group's clients have joined them, said Reichman, the boutique's managing partner. The new firm has already entered appearances for industrial giant Alcoa and its own spinoff, Arconic.

Meanwhile, with the departures, McKool Smith has closed its Silicon Valley office. Firm managing principal David Sochia called Reichman, who



Courtland Reichman, managing partner of Reichman Jorgensen. (Courtesy photo)

was managing principal of McKool's Silicon Valley and Los Angeles offices, a talented trial lawyer and said he wishes him well. "While McKool Smith will no longer operate out of the Redwood Shores office, we will continue to consider additional expansion opportunities in Northern California," Sochia said.

In an interview, Reichman said the boutique will seek to compete with elite

firms for clients and talent. While he declined to discuss the new firm's operating finances, he said the firm is generally targeting its revenue per lawyer to be above the average of the Am Law 100, which was about \$937,000 last year. "If you need to attract or obtain the best talent, you need to be competitively financed," he said.

Reichman said the group's departure from McKool was not tied to any



Sarah Jorgensen

disagreement with the firm but a matter of hitting a turning point in their careers. “Sarah just turned 50. I’m turning 50 this month. It’s

been our dream, as long as we’ve been practicing together, to have our own firm,” he said. “When you turn 50, you realize you’re at your prime, and now is the time.”

Reichman and Jorgensen have been friends and law firm colleagues for 18 years at McKool and previously King & Spalding.

Reichman said they have their own vision for recruiting, fees, billing, client case management and compensation. “It’s not about McKool Smith. When you build it, you own it. You’re able to set your course with independence,” he said.

In that regard, the boutique is promising to be innovative on several fronts. The firm said it will pay associates above the scale set by Cravath, Swaine & Moore, although it’s not yet announcing specific figures, and it will have a flexible schedule for promoting associates to partner. Reichman also said the boutique will have no hourly billing.

“We’re not recording hours, we’re not billing hours,” he said. “We’re just finding more and more [clients] can’t stand the billable hour.”

About 20 percent of the firm’s practice will be contingency and the rest will be fixed, incentive or other alternative fee arrangements that fit the stage or time of the case, he said. “The billable hour tends to reward mediocrity and inefficiency. The slower you are, the more money you make,” he said. “We’ve devised strategies to align the firm with the clients.”

Most of the boutique’s lawyers are in Silicon Valley. In New York, the firm will have two partners for now, including Caroline Walters, who is anticipated to leave McKool soon to relocate to New York to lead that office.

Reichman said he is also talking with groups of potential lateral partners in New York and Washington, D.C., from other Am Law 200 law firms.

When the boutique needs more resources, it will work with attorneys from Kellogg Hansen, he said, noting a formal alliance between the firms for staffing and pitching cases as needed. He declined to specify the contractual or financial arrangements between the firms.

“We are delighted to be working with Courtland and Sarah. They are exceptional trial lawyers with a proven record of success,” said Mark Hansen, a partner at Kellogg Hansen, in a statement.

The firm also touts its diversity profile and says a majority of the attorneys are women or attorneys of color. Meanwhile, the boutique said it would not have partnership track and lockstep

compensation systems, using instead systems that encourage attorneys to advance as quickly as their skills allow. “Some associates are ready at just a few years to be partners. And some may take several more years,” Reichman said.

As for McKool Smith, after the closing of its Silicon Valley office, because the firm has become “increasingly averse to the biggest tech companies in the Silicon Valley region,” said Sochia, the managing principal, it became difficult to be in Redwood Shores. “But we do remain committed to the Bay Area,” Sochia said.

He said the firm, which still has a 20-attorney Los Angeles office, is now “actively looking” for opportunities in Northern California in the Bay area.

Christine Simmons writes about the New York legal community and the business of law. Email her at csimmons@alm.com and find her on Twitter @chlsimmons

Xiumei Dong covers the business of law from the West Coast. Contact her at xdong@alm.com. On Twitter: @XiumeiDong.



REICHMAN JORGENSEN LLP

