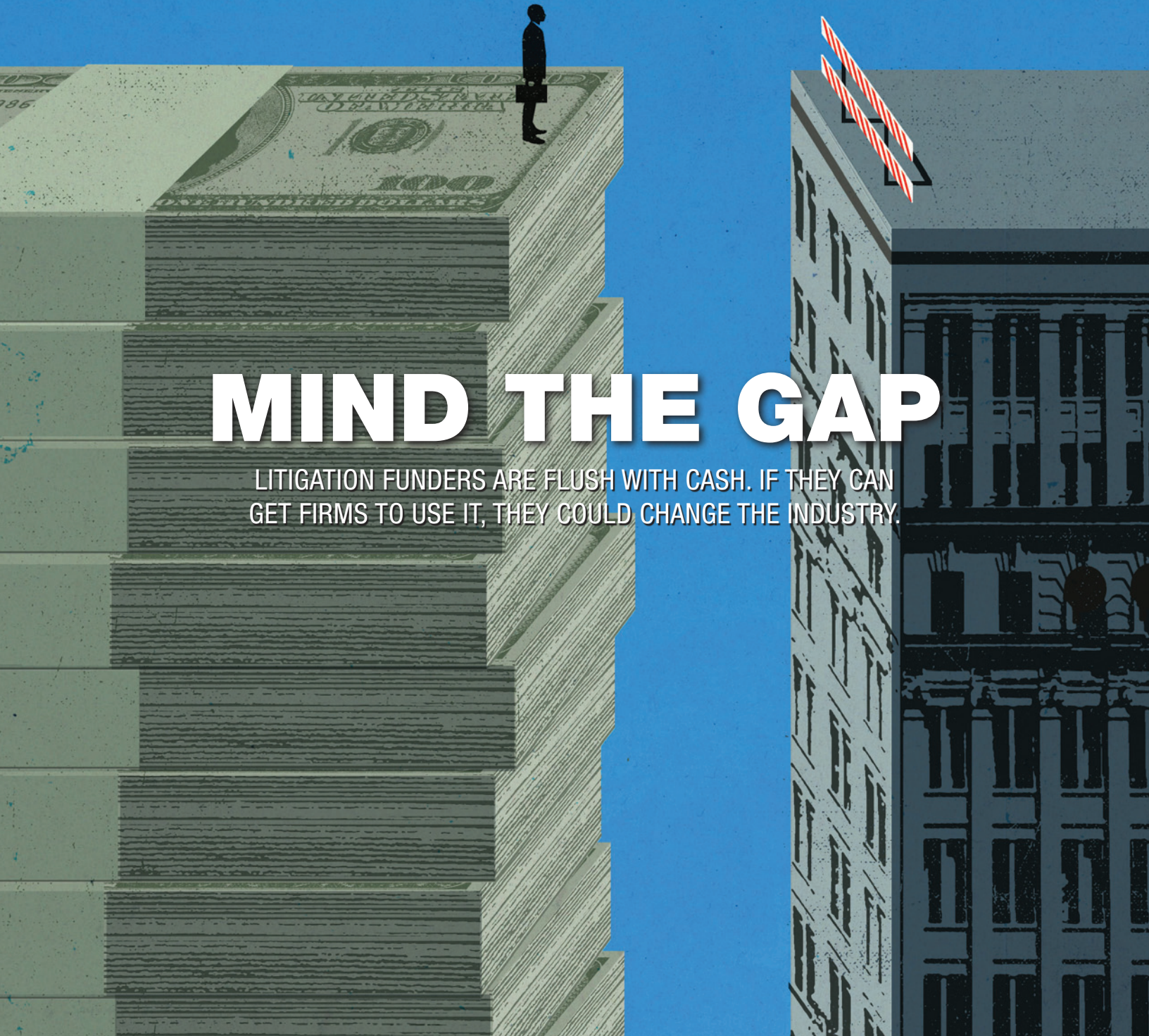


An ALM Publication

THE AMERICAN LAWYER

law.com/americanlawyer

JULY 2018



MIND THE GAP

LITIGATION FUNDERS ARE FLUSH WITH CASH. IF THEY CAN GET FIRMS TO USE IT, THEY COULD CHANGE THE INDUSTRY.

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SWITCHING SIDES

Blank Rome made a bet to sue insurers instead of representing them.
Two years in, it seems to be paying off.

By Lizzy McLellan



WHEN THE REMNANTS OF DICKSTEIN SHAPIRO went shopping for a new home in early 2016, most potential suitors saw the firm's insurance recovery practice as a conflict-ridden complication—a deal breaker. For Blank Rome, it was an opportunity, albeit one that forced some tough decisions.

By February 2016, Philadelphia-based Blank Rome decided to make the deal, adding the insurance practice and about 80 other lawyers from Dickstein Shapiro. Two-and-a-half years later, the practice has grown through some key lateral hires, and has successfully cross-sold to dozens of legacy Blank Rome clients. But that meant cutting ties with at least one major insurer client.

Practice group leader James Murray says he knew from the start that success would require swift rebranding action and a commitment from Blank Rome to keeping insurance company clients off the firm's roster.

While other large firms have moved out of the insurance recovery space, Blank Rome leadership says it's there to stay.

REMAINING RELEVANT

In 2015, Dickstein Shapiro's lawyers realized they would have to become part of another law firm. But many of the potential acquirers either had an existing practice representing insurers or were heavily into panels, Murray says. It was difficult to find a large, full-service firm where the practice group of about 20 lawyers would be able to remain conflict-free.

"There were some discussions with firms where we were absolutely out," Murray says.

Then Blank Rome came along.

At the time, Blank Rome didn't have an insurance practice—recovery or defense—but the partners talked about it internally often, Blank Rome chairman Alan Hoffman says.

"From time to time an insurance recovery lateral would arise," he says, but the firm didn't want to bring on a single partner without support.

When the firm saw the opportunity to add Dickstein Shapiro's remaining lawyers, Hoffman says, keeping the



**BLANK ROME PARTNER
JAMES MURRAY**

insurance recovery practice seemed like "a great way to remain relevant" to the firm's corporate clients. Since Blank Rome already represented them in other business matters, he says, why not add insurance recovery to that list?

And Murray learned that his whole group would be welcome.

In February 2016, the Philadelphia-based Am Law 100 firm absorbed more than 100 lawyers from foundering Dickstein Shapiro—not in a merger; the latter ceased practicing law.

GOING CONFLICT-FREE

Adding an insurance recovery practice called for a few sacrifices and some quickly executed branding.

First, Blank Rome had to commit to giving up any conflicting work. The firm had been involved in panels for Chubb and AIG, working on their insureds' labor and employment matters. The Chubb panels had to go entirely, Hoffman says. Blank Rome was able to stay on AIG's panels, but gave up the work in New Jersey and California, where firms are prohibited from working on an insurer's panel, then later suing that insurer for recovery.

"One of the most important—but one of the most difficult—things about strategy is to say no" to some opportunities in order to seize upon others, says Marci Taylor, law firm consultant and founder of Mantra Partner. "Doing that—and sticking to it—is impressive."

Hoffman says losing the panel work didn't have a significant impact on the labor and employment practice or cause any layoffs. The impact on the firm was far outweighed by the potential insurance recovery revenue.

Meanwhile, Murray says, it was imperative that his group make it known to clients—and the rest of the insurance recovery bar—that their joining Blank Rome would not create conflicts.

"If [competitors] even sniff that you represent an insurance company, it makes its way into a pitch," Murray says. "You don't mess around in this market. It's a very competitive market."

In Big Law, those competitors include firms like Jones Day and Covington & Burling.

He told his group they had a tight timeline—two months, he says—to fully convince clients that they should stick with their insurance recovery lawyers from Dickstein after the move to Blank Rome. In an unusual move, the group's lawyers kept their former firm's name prominent in their lawyer biographies on Blank Rome's website, Murray says.

"It was impressive how quickly the Dickstein Shapiro brand became Blank Rome," Linda Kornfeld says. She was a partner at Kasowitz Benson Torres at the time, watching from afar. She joined Blank Rome last October.

**BLANK ROME
PARTNER LINDA
KORNFELD**



Internally, the messaging had to be clear as well. Within the first 12 weeks the insurance recovery group met with every other practice group at the firm to discuss the potential for cross-selling. They held firmwide seminars to educate lawyers about the practice, and presented at the partner retreat held shortly after the Dickstein lawyers joined.

"This is a really good example of branding at the practice-group level," Taylor says.

Practice-level branding has become more important than firm-level branding at large firms, Taylor says, but doing it right requires authenticity. That's the hard part.

"From a branding perspective, to understand that the core of that brand was that they were conflict-free and that was important to them and their clients and they stuck to that ... that's commendable," she says.

GETTING ATTENTION

The practice group got some attention from others in the insurance recovery world, along with some resulting lateral moves. Less than six months after the Dickstein lawyers joined Blank Rome, the firm brought on Lisa Campisi in New York, from Morgan, Lewis & Bockius.

Morgan Lewis does not sue AIG in certain insurance recovery matters, Murray says. Immediately after Campisi joined Blank Rome, referrals for cases against AIG began

to come in, he says. (Morgan Lewis managing partner Steve Wall said his firm “has an annual multimillion-dollar insurance recovery practice and is adverse on a regular basis to all major insurers across the globe.”)

Blank Rome’s new insurance recovery brand had caught Kornfeld’s eye as well. A Dickstein alumna herself, having practiced there from 2005 to 2011, she was interested in working with Murray again. And she liked the idea of joining a large firm with a substantial office in Los Angeles, where she is based.

Kasowitz Benson, meanwhile, was moving away from insurance recovery work, seeking to expand its work on behalf of insurance companies, a spokeswoman for Kasowitz Benson told *The American Lawyer* affiliate *The Legal Intelligencer* last year.

“Some of the firms still doing policyholder-side work are debating whether to still do that,” Kornfeld says. And being able to represent her clients with a zero-conflict guarantee was an attractive possibility.

Kornfeld’s former colleague Robin Cohen, now at McKool Smith, shared a similar sentiment when she left Kasowitz Benson in 2016, pointing to its representation of a holding company that owns insurers.

Kornfeld says Blank Rome’s approach to its new practice group was “refreshing.”

“As a client, you have no concern that your law firm is saying one thing out of one side of its mouth and something else out of the other,” she says.

Additionally, one of her major clients—Penn State University—was pleased with the geographic ties. The school “appreciated that I was making a move to a prominent, Pennsylvania-based firm,” she says. (Illustrative of the small world of insurance recovery, Murray recalls learning that Kornfeld had secured Penn State as a client. He had gone up against her for the work.)

Kornfeld says the practice group is in an advantageous size range, with about 25 lawyers. It’s enough to handle a broad range of insurance issues, including unique types of insurance, but small enough that the partners know what everyone is working on.

Still, Hoffman says, the group will likely continue to grow through lateral hiring. Hoffman declined to give the insurance recovery practice’s revenue figures, but he says

the work has much greater significance financially than the panel work Blank Rome had to give up. Murray notes that insurance recovery work is unique and requires attorneys with “deep knowledge” and experience in the area. And it’s revenue-generating for clients—a good result means money in their pockets. Thanks to those factors, he says, it’s a high-rate practice.

“We’re a little plaintiffs firm,” Murray says. “We think a little differently.”

Blank Rome has at least 60 legacy clients that have utilized its insurance recovery services, Hoffman says.

And Murray says his group successfully retained in the move its institutional clients, which number more than 30,

“You don’t mess around in this market,” James Murray says. “It’s a very competitive market.”

including 3M, Kraft Heinz and several diocese clients, having convinced them that their new home would not be burdened by conflicts.

“Blank Rome has been more strict and faithful to that than even our competitors,” Murray says. He expects to soon remove the descriptor that still stands on his and his colleagues’ firm biographies, noting they are “formerly the insurance practice of Dickstein Shapiro.”

Murray says Blank Rome’s insurance recovery group is “in a sweet spot” as insurers become increasingly aggressive about conflicting law firms out of recovery cases, listing AIG as an example.

He also points to the young lawyers coming up in his practice group. For example, the firm just made Omid Safa partner. He was named a “D.C. Rising Star” by the *National Law Journal* last year at age 36, and according to Blank Rome he has secured over \$500 million in recoveries and judgments in the last five years.

“It’s a group you can see has great succession planning in it,” Hoffman says. “It’s a practice that is going to be here for many years to come.”

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