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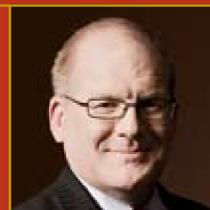
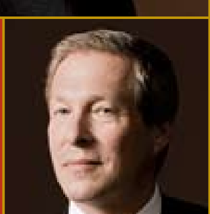
SPECIAL ISSUE

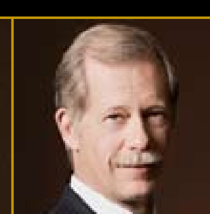


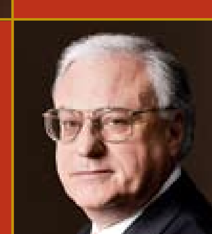
LITIGATION *Boutique* OF THE YEAR

• FINALIST •

GIBBS & BRUNS







An incisive*media* publication

LITIGATION *Boutique* OF THE YEAR

FINALIST • GIBBS & BRUNS

Tough and Tender

With lockstep compensation and a family-style culture, the Texas shop saves its aggression for its opponents.

By David Bario

EXECUTIVES OF NATIONAL CENTURY FINANCIAL Enterprises, Inc., made a fortune buying unpaid medical bills at a discount, packaging them into securities, and selling them to investors. When NCFE collapsed in 2002, its investors lost more than $2 billion, and by 2003 they were looking for a law firm with the muscle to take on the banks that underwrote and sold its notes. From a short list of firms—including several among The Am Law 100—they chose Houston's deceptively low profile Gibbs & Bruns.

Since filing the investors' initial complaint in 2003, a team of partners led by Kathy Patrick has collected roughly $600 million in settlements from JPMorgan Chase & Co. and other institutions. And in a key pretrial ruling last December, a federal district court judge in Ohio cleared the way for more than $1.5 billion in additional claims to move forward against Credit Suisse Group. "I'd match these lawyers up against any firm across the country," says Steven Rofsky, an Ambac Financial Group, Inc., executive who recommended Gibbs to the investors.

As it frequently does when representing plaintiffs, Gibbs & Bruns took the NCFE case entirely on contingency. For a firm of 37 lawyers, a third of whom devoted their time to the case, that meant great risk—and eventually great reward. When the firm wins on contingency, everyone from the most senior partners to the newest secretary benefits. Risks and rewards are shared by all; there are no billing partners, no special credits for landing a client or scoring a big win. Compensation at Gibbs & Bruns is pure, seniority-based lockstep. "It's an old-fashioned kind of partnership attitude," says founding partner Robin Gibbs. "This is a stressful line of work we're in . . . and you don't need insecurity at home."

For the lawyers who practice here, that's what Gibbs & Bruns has become: a home. At a recent meeting with *The American Lawyer*, Gibbs, Patrick, and partner Jean Frizzell needled each other like siblings. They finished each other's sentences, touted each other's achievements, and admitted to staying up until past 1 A.M. the previous night sharing stories at their hotel bar.

Gibbs & Bruns is determined to remain small. It has never hired a lateral partner. All of its eight associates come from two law schools: Harvard and the University of Texas. And partners include younger lawyers in all aspects of their cases. It's no accident that the children of senior partners at firms like Vinson & Elkins, Fulbright & Jaworski, and King & Spalding have chosen to practice at Gibbs & Bruns. "It's a neat thing that folks want their children to come and work with Robin," says Frizzell.

Behind the firm's old-school style is an old-school lawyer. Three decades ago, Gibbs was a junior lawyer at Vinson & Elkins, trying cases for insurance companies. He sensed there was a place in the booming Houston legal market for a small firm that would try big commercial cases on *both* sides of the docket. Gibbs teamed up with Debora Ratliff, one of the first women to break into the Texas trial bar, and the two founded Gibbs & Ratliff. When Ratliff retired a decade later, fellow founding partner Phillip Bruns took her place on the firm's letterhead. (Ratliff's legacy is that a third of Gibbs & Bruns's lawyers are women.)

Gibbs's original vision of high-stakes commercial litigation is still the firm's mission, though securities and intellectual property work have also become mainstays of its docket. In Texas and New York, Gibbs, Patrick, and Jeremy Doyle were instrumental in forcing a group of banks to fund a $19 billion buyout of Clear Channel Communications, Inc., by two private equity firms. Having seen the firm's successes in Clear Channel, Huntsman Corporation hired Gibbs & Bruns for a piece of the litigation that's resulted from the attempt by Hexion Specialty Chemicals, Inc., to walk away from its $10 billion merger with Huntsman, filing a suit in Texas state court against the banks that were to have financed the merger. (The case has a May trial date.) And Gibbs predicts that the firm will be hired by other buyers and sellers in failed leveraged buyouts. In Texas, says Gibbs, "a deal is a deal."

Since 2001 Gibbs & Bruns has represented the outside directors of Enron Corp. in the full gamut of litigation stemming from the company's collapse. Those cases have wound down, but opposing counsel Patrick Coughlin of the plaintiffs powerhouse Coughlin Stoia was so impressed by the firm's work that he hired Gibbs & Bruns to protect the fees his own firm won fighting the company.

Kathy Patrick still chokes up when she recalls a key settlement she negotiated for Enron Corporation directors—not a group for whom many people would shed tears. Patrick says the firm unabashedly takes the fate of its clients to heart. "We don't have a professional distance from our clients," says Patrick. "For us, this is personal."

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GIBBS & BRUNS

SIZE OF FIRM

Partners	**23**
Associates	**8**
Other (includes senior counsel and of counsel)	**6**

OFFICES

Houston

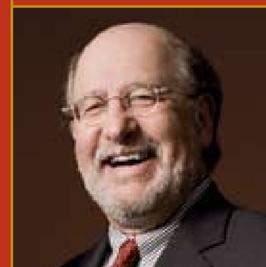
REPRESENTATIVE CLIENTS

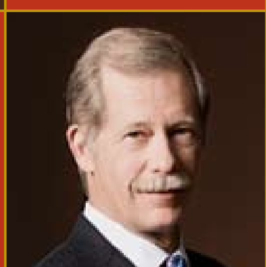
Cerberus Capital Management
Chevron Corporation
ConocoPhillips Company
Huntsman Corporation
Pacific Investment Management Company (PIMCO)

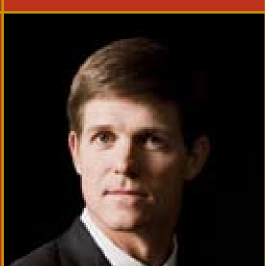
FROM LEFT: PARTNERS
JEAN FRIZZELL,
ROBIN GIBBS, AND
KATHY PATRICK

SPECIAL REPORT

LITIGATION *Boutique* OF THE YEAR







ON THE DAY THAT ROBBINS, RUSSELL, ENGLERT, ORSECK, UNTEREINER & Sauber opened its doors, name partner Lawrence Robbins took special note of a package of yellow Post-it notes. Robbins and three of his fellow founders had left the safety and security of Mayer Brown partnerships to venture out on their own, and there had been a few misgivings. But as he stood in the supply room amid the new firm's pens, notepads, and Post-its, Robbins thought to himself: "These are my yellow sticky notes. This is my firm." It was a feeling of ownership, he says, that he'd never had before.

Practicing at a litigation boutique is different from practicing at an Am Law 200 firm. To be clear: We are not referring to the quality of the boutiques' cases or the level of their advocacy. The firms we considered for Best Litigation Boutique honors—which ranged in size from 11 to 96 lawyers—are involved in some of the highest-profile, highest-stake cases in the country, in both the civil and criminal arenas. Their clients are banks, accounting firms, airlines, energy companies, tobacco and pharmaceutical giants, hedge funds—a list that any big firm might aspire to.

Instead, where they diverge from the big firms is in their culture, a word worn to banality in the recruiting brochures of The Am Law 200. At litigation boutiques, culture is not a cliché. It's Gibbs & Bruns's lockstep compensation, Bredhoff & Kaiser's determination not to handle management-side labor work, Wallace King Domike & Reiskin's deep commitment to a diverse partnership. Would a big firm refuse to bill by the hour or hire laterals? Bartlit Beck Herman Palenchar & Scott does. How about letting associates vote on whether to take a contingency-fee case, as Susman Godfrey does; or paying five-figure bonuses to staff members when the firm has a good year, which is Robbins, Russell's policy?

The clients of these firms told us that the boutiques, in the main, deliver what they promise: They are nimble, efficient, flexible, and smart. They're also often a lot less expensive than their big-firm competitors—a quality that clients now appreciate more than ever. Several boutiques even told us that they turned away work in the last year. How many big firms can say the same?

PHOTOGRAPHS BY DEBORAH FEINGOLD

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