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LAW FIRM BUSINESS

SMALL FIRM FOCUS

A Collaborative Approach

Spawned on a dive boat, Pillsbury & Levinson divvies up cases to the attorneys who are most suited to handle them and shares profits equally.

By Amy Yarbrough

Daily Journal Staff Writer

SAN FRANCISCO — Not many law firms get their start on a dive boat in the Sea of Cortez.

In 1990, Philip L. Pillsbury Jr. and Arnold R. Levinson were on one of several adventure trips the two lawyer pals took together. Pillsbury had a surprise stowed away in his dive bag: plans for an office space to house a new firm, which Pillsbury promptly announced they would be starting together.

Levinson had been unhappy at his old firm — the only attorney doing bad faith insurance work on a contingency basis surrounded by colleagues with hourly business practices. Pillsbury's bombshell was a shock, but nonetheless tempting, he said.

"That did really start me thinking — 'There could be a better option for me,'" Levinson said.

Pillsbury Levinson & Mills was launched in 1991, with then partner Cheryl R. Mills, who has since become a Contra Costa County Superior Court judge. The firm, which is unique in that it does nothing but insurance cases, is known these days as Pillsbury & Levinson LLP and is comprised of nine attorneys.

For Levinson, who was so unhappy he even considered leaving the practice of law altogether, starting the firm proved to be a breath of fresh air, in part because it meant being in a group that was all "rowing the same direction."

"I got a new lease on my legal life," he said. "It felt like we were now a team."

Pillsbury wanted to start a firm with Levinson because he was craving a change in his professional life. He said much of the success Pillsbury & Levinson has found since lies in the firm's collaborative, rather than competitive, approach.

Pillsbury cites as an example a huge insurance bad faith case he tried in Alameda County.

Pillsbury represented a 78-year-old auto body repair shop owner against Travelers Insurance Co. after the insurer failed to honor his policy for environmental damage at his business.

After he put on the case, Pillsbury invited Levinson over to his house and asked if he could share the closing arguments he was planning to deliver. One look from Levinson and Pillsbury's wife Sharon, and Pillsbury knew he was in trouble.

Levinson spent the evening helping his part-



Philip L. Pillsbury Jr., left, and Arnold R. Levinson, right

S. Todd Rogers / Daily Journal

ner rewrite his remarks, and Pillsbury ended up winning nearly \$26.7 million in damages for his client.

"I just felt completely picked up by Arnie," Pillsbury said.

The verdict turned out to be one of the largest that year in California. The insurance company appealed the verdict all the way to the U.S. Supreme Court but was unsuccessful. *Vann v. Travelers Insurance Co.*, 39 Cal. App. 4th 1610 (1995).

The firm also makes it a rule to give cases to the attorneys best suited for them, and divides profits equally, Pillsbury said.

Levinson recalls retreats he used to go on at his old firm where partners would hash out who should get what out of a bonus pool from its cases.

"You felt like you'd been through a washing

Pillsbury & Levinson

San Francisco

Number of attorneys: 9

Date formed: 1991

Specialty: Insurance bad faith

Tips:

- Bring young people up as partners because they will be the life of your firm
- Delegate work to other lawyers — don't try to take it all on yourself
- Be fiscally conservative

machine by the time the thing was through," he said.

Pillsbury estimates about 50 percent of the firm's work involves disability coverage as well as cases challenging the Employees Retirement Income Security Act, or ERISA. The firm also takes cases involving individual and homeowners' insurance and represents businesses involved in disputes with their insurance companies.

In one of the firm's higher profile cases, Levinson represented Jack Zemsch, a boy born with metatropic dysplasia, a rare condition that makes the bones soft and causes them to stop growing. Insurer Health Net Inc. initially would not cover the cost of treatment by a Delaware doctor who specialized in the disorder. Although the insurance company ended up relenting, Levinson pursued a civil

suit against the company that was ultimately settled. The terms of the settlement are confidential. *Zemsch v. Health Net Inc.*, RG05240793 (filed Nov. 7, 2005, Alameda County Superior Court).

Levinson said he became good friends with the Zemschs as a result of Jack's case, which he considers one of his most rewarding.

"I think we've made differences in a lot of people's lives," he said of the firm's work.

Mark J. Zemsch, Jack's father and a Berkeley deputy city attorney, said he couldn't say enough about the attention Levinson and the firm paid to his son's case.

"I know they were working on a lot of important cases, but they managed to convey that feeling to us," Zemsch said.

Seeing what Levinson was able to accomplish was "an eye-opening experience," he said.

"The issues that they deal with are more than standard money being exchanged between parties," Zemsch said. "To have medical care at the center of a lawsuit is a completely different level than anything I've ever been involved in."

Despite such hard fought cases, the firm maintains a good relationship with the defense bar, according to partner Vedica S. Puri. At times, opposing counsel will even refer cases to the firm, something Puri said is a testament to Pillsbury & Levinson's street credibility.

"I think that's kind of tremendous," she said.

Defense lawyer G. Edward Rudloff Jr. said he's known both name partners for more than 20 years and litigated several cases against Pillsbury. He said he thinks so much of Pillsbury, in fact, that he sponsored him for membership in the American Board of Trial Advocates.

"He's very smart. He's very articulate, very creative," said Rudloff, of Foran Glennon Palandech Ponzi & Rudloff PC.

As for Pillsbury & Levinson, Rudloff called it "just a first-class plaintiffs', big-time bad faith firm."

Looking back at that pivotal dive trip that led to the start of their firm, Pillsbury recalled how he and Levinson were able to swim down and climb on the back of a whale shark, an experience that "kind of cemented a really memorable time that we had."

These days, the duo no longer goes on dive trips together, although some things haven't changed, Pillsbury jokes.

"We still swim with the sharks," he said.

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