LOST IN TRANSLATION

TOYOTA HOPED ITS SUDDEN ACCELERATION MESS WAS OVER. BUT INTERNAL DOCUMENTS RAISE QUESTIONS.

BY DAVID HECHLER

Toyota president Akio Toyoda faces the media.

PLUS: PORTLAND'S BIG-TIME SMALL-FIRM COUPLE • COMPANIES *UNLIKE* FACEBOOK FRAUDS
How two divorced lawyers met at a big firm, then went off to form small ones.

BY SUSAN HANSEN

A LOT OF BIG-FIRM LAWYERS LIKE TO FANTASIZE ABOUT STRIKING OUT on their own—at least until the fear begins to set in.

David Angeli, a white-collar defense specialist and litigator in Portland, Oregon, certainly had more than a little trepidation. Before giving up a partnership six years ago at Stoel Rives, Portland’s largest firm, Angeli worried that he might not be able to attract enough high-paying clients, that he’d never match his Stoel Rives income, and that he’d wind up sorry for sure. “A big firm gives you a real security blanket,” says the 45-year-old Angeli. It didn’t help that his wife (and fellow Stoel Rives partner), Courtney, had her own dreams of giving up big-firm life. And indeed, in 2008, just a year after David launched Portland’s Angeli Law Group with two other lawyers, Courtney Angeli, a labor and employment specialist who’s also 45, made her move, too. Along with Stoel Rives partner Paul Buchanan and other area lawyers, she founded Buchanan Angeli Altschul & Sullivan, a new labor and employment law boutique.

With both Angelis now at start-up firms, the stakes had doubled. And given that the couple have five children in all, forgoing not just one but two steady big-firm salaries wasn’t exactly a negligible risk. “It was definitely scary,” recalls David.

Especially since, almost immediately after Courtney left Stoel Rives, Wall Street investment banking titan Bear Stearns imploded, in what was just the opening act for the great financial crash of 2008. “Looking back, I’d have to say I was pretty naive,” says Courtney, of her decision to leave Stoel Rives. “I should have been a lot more nervous.”

As it happened, things turned out all right. Both Angelis made it through the crash and postcrisis recession. In the past five years they each built up a list of high-profile matters and clients, and the respective boutique firms they founded have thrived. Indeed, they’re currently earning more...
DaviD anD courtney anGeli fell in love at one firm, anD then set out to form two separate law firms.
than they did at their former big firm, while enjoying the extra professional freedom they’d wanted.

With their two busy practices and their double-barreled earnings power, the Angelis would be prime candidates for any list of Portland area “power couples.” They certainly qualify as a “power legal couple,” given that they’re the only two mar-

ried partners to have each won a spot on the Super Lawyer list of Oregon’s Top 50 attorneys. Not to mention the fact that they each got the honor before they turned 45.

IT WASN’T EASY. AS COURTNEY recalls, the two put in countless long nights and working weekends as junior Stoel Rives attorneys. “We both worked our butts off,” says Courtney, a University of Michigan Law School alum, who started at Stoel Rives in 1997.

Then again, it’s also true that had they both not been able to hack the hours and stresses of big-firm life, they probably never would have met.

Courtney, who made partner in 2001, had already been working at Stoel Rives close to five years when David, a former Williams & Connolly associate and Georgetown University Law Center alum, moved from Washington, D.C., to join the firm.

A few months later, in early 2002, they were working side by side preparing for trial in a multiplaintiff age discrimination suit against Canadian mill equipment maker CAE Newnes Inc. The Stoel Rives team, led by Courtney as first chair and David as second, scored a resounding win, with the jury finding for the defense on all counts. Next up was a bench trial of gender discrimination claims against Precision Castparts Corp., a Portland-based supplier of aircraft and industrial metals. There again the duo prevailed in court, resulting in a favorable settlement for PCC.

In the meantime, the two, who were both in faltering marriages, also fell in love. In November 2003, less than two years after David’s arrival at Stoel Rives, they got married, bringing their respective broods (including Courtney’s two girls and a boy and David’s son and daughter) together. “It was just like the Brady Bunch, except for Bobby,” says Courtney.

One other big difference: Courtney, unlike Carol Brady, maintained a busy full-time legal job and a full clients list, including window and door manufacturing giant JELD-WEN Inc., the Portland Trailblazers basketball franchise, and medical device maker Acumed LLC. And she continued to grow her labor and employment practice, providing counseling and management training on everything from Family and Medical Leave Act compliance to anti-sexual harassment policies, as well as defending discrimination suits and other employment-related litigation.

Meanwhile, David, who made partner in 2004, was proving his mettle as a white-collar criminal defense specialist. He certainly won some acclaim for his work in the 2005 trial of former Enron Broadband CEO Joseph Hirko, who was indicted by federal prosecutors on 27 felony counts, including numerous wire and securities fraud charges, and faced more than 20 years in prison.

Though David was still an associate at the time, and one of the most junior members of his defense team, Hirko recalls that his earnest, Boy-Scout-like questioning of witnesses was so impressive that when the choice of who should give the defense side’s closing argument was made, David got the nod. “He’s just an incredibly talented lawyer,” says Hirko.

In the end, the jury voted to acquit on half the charges, but deadlocked on the rest, and Hirko ultimately pled guilty to one felony charge and agreed to a prison term of just 16 months. “I would have wanted a better result, but I think [the defense] got the best possible outcome given the circumstances,” says Hirko.

IN THE WAKe OF THE HIRKO TRIAL, David was more committed than ever to building a white-collar defense practice. There was just one problem: He didn’t think that he’d be able to pursue that goal as single-mindedly as he wanted while working at a big firm. (Why didn’t the Angelis form a firm together? Different practices areas, they say.)

Now, six years after his departure from Stoel Rives, David estimates that he spends at least 80 percent of his time on white-collar work, such as a water contamination case he recently defended for David Ryan, the CEO of Oregon’s Hood River Juice Co Inc. “If I was up against the wall again, I would go to no one else but David,” says Ryan, who was originally indicted on almost three dozen felony counts and wound up pleading guilty to just two misdemeanor charges in order to resolve the case.

As part of his white-collar portfolio, David also regularly handles internal corporate investigations, including one he’s currently conducting for a Fortune 500 company that’s nervous about potential violations of Environment Protection Agency rules. The rest of his caseload consists largely of commercial litigation matters for longtime client Precision Castparts and other companies.

While some GCs might worry that a tiny boutique firm might not have the firepower to deliver great service, Precision Castparts deputy general counsel Emi Donis says that David and his firm have always come through. “I’m very demanding of outside counsel,” says Donis, who notes that’s she’s definitely what some
lawyers might call a “high-maintenance” client. With David, she says, that hasn’t been a problem: “He’s very responsive.” Plus, she adds, “he listens and knows how to cut to the chase and focus on what the goal is.”

David concedes that keeping work output moving and billings coming in can be a tall order. “It’s not for the faint of heart,” says David, of running a small firm. Still, unlike at a big firm, he notes, he has the freedom to take on the kinds of clients and matters he wants, and the flexibility to set his own rates. Plus, he doesn’t need to worry about whether he’s generating enough revenue to cover massive overhead costs and keep his many partners happy. “You don’t need to feel like you’re letting your partners down because you’re not feeding the [big-firm] machine,” says David.

Courtney, for her part, is also enjoying the flexibility of small-firm life. She still spends the bulk of her time advising or defending major corporate employers, including longtime client JELD-WEN, whom she recently represented in a suit alleging that the company violated family medical leave laws. “She’s our go-to employment lawyer,” says JELD-WEN in-house attorney Boyd Rogers, who notes that thanks to Courtney’s efforts, the company got the case dismissed on summary judgment.

Yet unlike the vast majority of employment groups, Courtney notes, Buchanan Angeli Altschul & Sullivan represents both defendants and plaintiffs. Thus she was recently able to team up with partner Dana Sullivan in a wrongful discharge case brought by a teacher at an Oregon charter school. Also, she says that now she’s able to take on work for more nonprofit clients, including the local United Way and Planned Parenthood groups, since she’s far freer to adjust her fees. “I really wanted to have more control over my rates, with the option to offer discounts,” says Courtney, which is usually a no-go at big firms.

So far, bringing in new business hasn’t been a problem. Indeed, a year ago, she scored a major coup when the Portland Trailblazers organization chose her to be its main outside employment counsel after a beauty contest with other area firms. “We were just really impressed with everything she brought to the table,” says Trailblazers general counsel Ben Lauritsen. “With Courtney, you get a great combination of high expertise and tough-mindedness.” Not to mention high energy and high responsiveness. “I can call her up at 10 p.m. at night with a question about some oddball employee situation,” says Lauritsen, who adds that if Courtney doesn’t know the answer, she’ll quickly find out.

Given the constant demands on the Angelis’ time on both the work and home fronts, it’s a little hard to figure how they pull it all off. Especially since, in addition to their five children (now ranging in age from 11 to 16), they also have three dogs, five cats, and two rabbits. “I’m a sucker for rescue animals,” says Courtney. And unlike at the fictional Brady home, their housekeeper is only on the job three days a week.

“We get a lot of people asking, ‘How do you do it?’” says Courtney, who says that above all it requires “tons of energy.” Beyond that, it also means making sure that everyone in the family is helping out with pet walking and feeding and other chores.

“We demand a lot from our kids,” says David. “Everybody’s got to row an oar or they’ll sink us.”

HARD AS IT IS TO JUGGLE FAMILY responsibilities with two full-time law practices, the Angelis say they like being able to talk shop at home, and definitely appreciate each other’s ability to serve as sounding boards on everything from motions strategies to closing statements. “Courtney has a real knack for knowing how people are going to viscerally react to an argument,” says David, who says he always runs closing arguments by her.

That said, the two are both quick to concede that having two hard-charging attorneys in one household isn’t always a recipe for domestic harmony. “We’re two very intense personalities,” says Courtney.

“Neither of us back down easily,” agrees David. “We’re people who speak their minds.”

The good news, adds Courtney, is that even though they’re both strong-willed people, they’re able to maintain a healthy balance. “I don’t think anyone else could handle our marriage,” she says. “We keep each other in check.”