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LAW FIRM BUSINESS

## Rising from the Ashes

After watching their previous firm collapse, Jeffrey A. Walker and Douglas K. Mann ventured out on their own again and are seeing the fruits of their tenacity.

**By Susan McRae**

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RANCHO CUCAMONGA — Jeffrey A. Walker and Douglas K. Mann had big plans when they launched a 15-lawyer medical malpractice defense boutique six years ago with another partner.

They had a steady flow of clients — hospitals, nursing homes and physicians — who'd come from their previous practice. And they'd negotiated a lease with an option to buy a commercial building to house the firm, with plans to rent the unused space for extra income.

"It was going to be really a retirement vehicle for Doug and myself," Walker said.

Then, a little more than a year into the partnership, everything began to collapse.

By the time it was over, there were complaints and cross-complaints accusing Walker and Mann on one side and their partner on the other of a laundry list of grievances, including mismanagement of funds and breach of partnership agreement. Although an arbitrator eventually found for Walker and Mann, awarding them nearly \$800,000 in damages, fees and costs, by then the firm was in shambles, and all that remained was a pile of unpaid bills. (The other partner did not respond to several requests for comment.)

After the dust settled, Walker and Mann said their initial reaction was to try to salvage the old firm. But they said consultants and accountants told them it was impossible, that the firm was completely insolvent.

"So we pulled the plug on that firm," Walker said, "and Doug and I got together and looked at each other and said, 'Now what do we do?'"

They decided to start anew and in 2007 launched Walker & Mann, a general civil liability practice.



Susan McRae / Daily Journal

Jeffrey A. Walker, left, and Douglas K. Mann

Their decision to start over couldn't have come at a worse time. The economy had sunk to its lowest point in the recent recession, particularly in the Inland Empire. They'd lost a number of clients as several insurance carriers they worked with pulled their big accounts over concern about the firm's stability. At the same time, there was a industrywide slowdown in medical malpractice cases.

"Everything was going negative at that point," Mann said. "Our business, some of our clients' business, the general economy, the local economy, the real estate market. I didn't feel like there was any solid footing anywhere."

Regardless, they tightened their belts, reset their sights, leased smaller space and began rebuilding with the two of them, one associate and two staff workers.

The past few years have been rough going,

they said, but ultimately rewarding because the experience forced them to re-evaluate goals and come up with a workable firm model that's ended up being the type of practice they envisioned all along.

"Doug and I are both through with the 'bigger is better' mentality," Walker said. "The whole big picture of why we got into doing this is because of the interaction with the client, with the co-defense lawyers, with the court."

"When you get a little bit too big, you disappear from that scene."

Little by little, they said they've taken it on themselves to pay off creditors.

By necessity, they branched out into other areas to make up for the loss of clients. While medical malpractice defense still encompasses 50 percent to 60 percent of their work, they've added product liability, general liability and real estate defense to the mix.

They've also opened a family law litigation unit, and Mann, who has an engineering degree, has developed a transactional intellectual property practice and handles some bankruptcy work.

In addition, they've taken on plaintiffs' work, begun making alternative fee arrangements and represent some mom-and-pop businesses, all things they shunned at their old firm as not being lucrative but which they now say give them great satisfaction.

They've also gotten involved in the community, doing charitable and pro bono work.

Jeff Grass of the medical malpractice defense firm Davis, Grass, Goldstein, Housouer, Finlay & Brigham called Walker and Mann "excellent lawyers." Grass, who's co-counseled with Walker in the past, said the firm's upheaval was "devastating" for them.

"But they've rebounded," he said. "They're definitely survivors. They've reinvented themselves and done an extraordinarily good job."

The pair have made similar impressions on lawyers they've encountered more recently.

Michael J. Bidart of the insurance bad-faith

and personal injury firm Shernoff Bidart Echeverria LLP said the two consulted with him on a complex and unusual coverage issue for their clients. He said he'd never dealt with the lawyers before but was impressed with their level of care and attention to detail on the case.

"I think they're kind of a gem in the Inland Empire, that's for sure," he said. "They're really nice, down-to-earth, easygoing lawyers and great to work with."

Walker and Mann said they've talked about bringing on another lawyer, but they're wary of growing too big. They said the only time they'd expand is when the three lawyers at the firm arrived at 100 percent-plus capacity. Until that time, they said there's nothing that needs to be done on a case that the two of them can't handle themselves.

"We like where we are now," Walker said, "because it forces us to be involved in all the decisions that get made on a case, all the important nuances. There's so many personalities involved between the judge, your client, the plaintiff, the plaintiff's attorney, experts, witnesses. It's helpful to know all that stuff going into trial as opposed to having to read it in a deposition that somebody else took."

Being small, they said, also has forced them to pay close attention to the firm management and avoid letting it get out of hand.

"We've gotten this far by being very frugal, watching our costs, making sure we're dealing with all the issues before we take money for ourselves," Mann said, "and being very diligent in doing everything we can to work out these issues that are lingering [from the past experience]."

While they don't make as much money as they did at a larger firm, they said it's not all about finances.

"A lot of people could have just walked away from the rubble," Walker said. "But there was more at stake than any money. It was really about my reputation, Doug's reputation and what we stood for. We said all these creditors need to get paid, and we've got to suck it up and see that they get paid. It was incredibly hard on us individually, collectively and on our families. It took an unbelievable toll.

"But here we are now with most the issues resolved. Four years of dark clouds has opened up a whole new world we never had before."

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