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LAW FIRM BUSINESS

Suing Lawyers

Stanford and Associates in San Diego specializes exclusively in plaintiffs' legal malpractice cases. Nevertheless, most all of the boutique's cases come in as referrals — from other attorneys.

By Don J. DeBenedictis
Daily Journal Staff Writer

SAN DIEGO — For 25 years, Stanford and Associates has gotten nearly all its cases as referrals from other lawyers. What's surprising about that fact is that the firm specializes in suing other attorneys for malpractice.

In fact, plaintiffs' legal malpractice and related cases, such as malicious prosecution claims, are all the small firm does. Although some other firms also focus on suing lawyers, principal Dan L. Stanford said his is the only one he knows of that takes on those cases exclusively.

Nonetheless, he said, virtually all his business is sent over by other attorneys. Only within the last year has Stanford and Associates had a web page, which by now has brought in a couple of small matters.

Has there been any animosity from other members of the bar? "Not that much," Stanford said. "The good lawyers appreciate what I do."

He has sued good lawyers. "Eighty percent of what I do involves good lawyers with big law firms who make big mistakes," he said. "My job is to make sure that the clients don't end up paying for those mistakes."

Only a small share of his cases have been against what he called "really bad lawyers doing really bad things."

Since he opened in 1990, he has brought claims against all of San Diego's major firms, including a couple each against Gray Cary Ware & Freidenrich LLP, now part of DLA Piper, and Luce Forward, Hamilton & Scripps LLP, which merged into McKenna Long & Aldridge LLP.

Stanford started out as a Luce Forward lawyer himself. An Arizona native, he came to San Diego for college and then went to law school at USC, graduating in 1975. He next spent two years as a clerk for U.S. District Judge Malcolm M. Lucas, who later became chief justice of the state Supreme Court.

"Those were probably two of the best years of my life," he said. Lucas "was

a tremendous guy, a good legal scholar with a solid mind and a supreme sense of fairness."

He came to Luce Forward in 1977. There, he had a choice to join the litigation team that took on giant, complex cases for major companies or one that defended automakers and insurers in product liability and similar cases. He chose the second team.

That way, "I would actually get into the courtroom. ... By the time I made partner in 1982, I had 13 jury trials on my own," he said. "Those were the days."

As a hobby, he also worked on some local political campaigns. Through Lucas, he got to know George Deukmejian, who at the time was a leader in the state Senate.

In 1978, Stanford co-led Deukmejian's campaign in San Diego for attorney general. He said the main job was posting signs telling people how to pronounce the candidate's name.

Four years later, Stanford helped run Deukmejian's San Diego campaign for governor. In 1983, when Deukmejian took office, he asked Stanford to come to Sacramento as the first Republican chairman of the Fair Political Practices Commission.

After four years, Stanford resigned to run for state controller, targeting the incumbent, Kenneth Cory, who he suspected of misusing campaign funds. But he made a political blunder.

"I went out too early, before the filing closed," he said. Another candidate, state Sen. William Campbell, got into the Republican race at the last minute and went on to defeat Stanford in the primary. Campbell lost the general election to Gray Davis.

At that point, Stanford considered becoming a lobbyist. "I ultimately decided it would be hard for me to live in that world," he said.

So he returned to practicing law in San Diego as a litigator with Lillick & McHose LLP. But when that firm merged with Pillsbury, Madison & Sutro LLP — now Pillsbury Winthrop



Tom Kurtz / Special to the Daily Journal

From left, Raymond Ryan and Dan L. Stanford of Stanford and Associates, a plaintiffs legal malpractice firm.

Shaw Pittman LLP — in 1990, Stanford decided to go out on his own as a legal malpractice plaintiffs' attorney.

"I had seen the things that lawyers were doing to clients," he said. "I would try to refer the cases to plaintiffs' lawyers in town that I had grown up with, and nobody would prosecute the cases — especially anybody with any trial experience."

The practice grew slowly but surely. Stanford has one associate now, but at times he has had three or four.

In 2005, new San Diego City Attorney Mike Aguirre hired the firm for what has been its most visible set of cases: litigation against three large law firms accused of malpractice in connection with the city's underfunded pensions crisis. Stanford and Associates along with another lawyer, Bryan C. Vess, won a \$2.8 million settlement from Orrick, Herrington & Sutcliffe LLP and one worth \$4.35 million from Vinson & Elkins LLP. Counting those and two other settlements — one with an accounting firm and one with Willkie, Farr & Gallagher LLP — the pair brought the city a total of \$13.5 million, he said.

Stanford said he enjoys trials. And he noted that recently added associate Raymond Y. Ryan — who came over from a personal injury practice — has had even more trials than he has.

As in most types of litigation practices, the vast majority of the firm's cases settle. But they are still hard fought.

That's because the lawyer defendants are intelligent, emotionally involved and generally believe they've

done nothing wrong, he said. Defense attorneys also are willing to let the cases drag on, he added.

Although he charges a 40-percent contingency fee, "I've had literally dozens of cases where the defense lawyers make more money than I do."

Given the intensity of the litigation, Stanford and Associates works up its cases before filing suit more extensively than most plaintiffs lawyers do.

The firm is also quite selective in the cases it takes. Even though the firm gets several calls a week about potential cases — including at least a couple a week from unhappy family law litigants — it usually has only about a dozen open files at a time.

"I'm at a point in my career where I'm not beyond firing clients," Stanford added, if he figures out the client has misled him. "You've got to be careful and thorough."

Away from the office, Stanford is working on a couple of books, one an illustrated pamphlet that will explain basic legal rights for clients and another he hopes will collect famed litigators' best trial stories.

From time to time, he also speaks and writes for lawyers about how to stay out of trouble. One thing he tells them is to avoid taking on matters outside their area of expertise. "Be selective. Learn to say no," he said.

His other important tip is to remember that law practice is a service business. "Communicate with your clients and keep them apprised of what's happening."