



From left: Eric D. Madden, P. Jason Collins, William T. Reid IV and Lisa S. Tsai.

MARK GRAHAM

FINALIST ■ GENERAL LITIGATION—SMALL FIRM

Reid, Collins & Tsai: A Deep Bench

by JOHN COUNCIL

Five years ago, Bill Reid, Jason Collins and Lisa Tsai left Diamond McCarthy to set up their own nine-lawyer plaintiffs business litigation boutique in Austin. They had a passion for the courtroom, but they had little idea how that might translate into a steady stream of attorney fees.

“We contacted clients, figuring out which associates were coming with us,” Tsai said of the formation of Reid, Collins & Tsai, a firm that was initially staffed completely by former Diamond McCarthy lawyers.

“We really didn’t know how much work we’d have,” she said.

They needn’t have worried. The firm has since won more than \$650 million in judgments and settlements for a range of offshore liquidators, hedge funds, bankruptcy trustees and private equity firms.

One of their earliest and biggest clients is Dallas-based Highland Capital, a \$20 billion dollar private equity firm. Highland Capital GC Scott Ellington initially approached Reid about a bankruptcy case in 2009 but ended up offering to involve Reid Collins in large-scale financial litigation against banking giant Credit Suisse.

“He took a liking to me months after we started the firm,” Reid said of Ellington.

“We’ve now settled over \$100 million in claims for them since 2010,” Reid said.

And the firm also has gone to trial for Highland Capital, most recently in 2014, when Reid and Tsai scored a \$40 million fraud win before a Dallas County jury against Credit Suisse. Reid and Tsai convinced the jury that Credit Suisse defrauded a Highland Capital affiliate, Claymore Holdings, by over-inflating the value of a Nevada resort as a part of a 2007 loan refinancing transaction.

“It is still rare, I think, for a large Wall Street investment bank to be found liable for fraud,” Reid said.

Tsai, who tried the case with Reid, was brought to tears during her co-counsel’s final arguments.

“The reason I teared up during Bill’s closing was because I knew him so well, but also because he was completely raw and completely pure. It was not orchestrated. It was truly about the claim,” said Tsai. Most of the firm’s work for clients is done on a contingency or alternative fee basis, she said: “We put our money where our mouths are with them. If we win, you win. If you

lose, we lose.”

The firm will pursue \$200 million more in breach of contract, common law fraud and conspiracy against Credit Suisse in a trial this year.

Ellington said he has faith in Reid Collins.

“They are as robust as they can be,” Ellington said. “Last year I used 117 law firms. And from top to bottom, they’ve got a deep bench. It goes from partners all the way down to the most junior people. They’re just excellent, and I’ve been really pleased with their abilities.”

The firm now has 26 lawyers and has expanded to New York, Washington, D.C., and Dallas.

Eric Madden had been watching his former partners’ success and wanted to be a part of it, so he left Diamond McCarthy for Reid Collins’ Dallas office a year and a half ago.

Madden soon proved his worth when he faced off against Chris Bell, a skilled Houston trial lawyer and former U.S. congressman, in a contentious business litigation case. Madden represented Petroleum Wholesale, a gasoline distributor that alleged that Bell’s gas station owner client breached a contract because he refused to accept credit cards for gas. Bell’s client counterclaimed against Petroleum Wholesale for \$10 million, alleg-

ing that it breached the contract when it failed to deliver the gas.

Bell initially bested Madden by winning a summary judgment ruling determining that his gas station owner client did not violate the contract by refusing to accept credit cards. But Madden ultimately won \$740,000 in damages from a jury in April 2014 after they agreed with his argument that Bell’s client had breached the contract by failing to pay taxes on the gas station Petroleum Wholesale sold him. The jury also rejected Bell’s client’s \$10 million counterclaim for breach of contract.

“It shows our willingness to go to trial, our willingness to go anywhere and to take on a tough trial lawyer like Chris Bell in his own backyard,” Madden said.

Point taken, Bell said.

“I can try a good case,” said Bell, who noted that the trial judge, Tad Halbach of the 333rd District Court, was impressed with all of the lawyers in the case.

“I’ll give them high marks for staying in the fight after the judge issued a ruling on summary judgment,” Bell said. “They were very well-prepared, their witnesses were well-prepared, and they were good lawyers.”



John Council is a senior reporter with Texas Lawyer.