

# THE COLLAPSE OF HONOR

How Greed Led  
to the Destruction  
of a Young  
Lawyer Caught-up  
In a Law Firm's  
Epic Battle Over  
Compensation

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## Dedication

This novel is dedicated to the lawyers all over America who see the legal profession as something more than just a way to make a living. They are the lawyers who know that being a lawyer is something special, who will still represent a client in need even if they can't pay, and who measure their worth not by how much money they make but instead by what they can do to promote our justice system. They are the lawyers who love being lawyers.

The courthouse in Los Angeles is real, but otherwise all characters and dialogue in this novel are fiction. Any resemblance of the imaginary characters to actual persons is coincidental.



## Prologue

Practicing law within a partnership, large or small, can be a wonderfully rewarding experience. A “partnership” is not just a legal title. It involves a feeling – a happiness to be together and to support each other. In many ways it is like a family where the partners spend their entire working career together in one firm. Without this, it is just a group of lawyers making money.

But the idea of firm loyalty and camaraderie is becoming antiquated. There are partnerships now where the lawyers unfortunately do not have this special feeling. To use an old phrase, the beast in the belly of these lawyers is to make as much money as possible. They can be ruthless and crush anyone who gets in their way. The Collapse of Honor tells the story of such a firm.

The Baukus & Johnson partnership has outstanding lawyers who are known to be some of the best lawyers in the Los Angeles area. But it has a weakness. It has a complex formula for dividing income at the end of each year – what lawyers call “splitting the pie” – and they have an annual fight over how much each partner will receive. It is a fairly typical formula for large firms. Some firms handle it well; others, like the Baukus & Johnson firm, do not.

When the Baukus & Johnson partners attend the annual meeting to determine compensation, it is fraught with tension and a belief by each partner that he should be paid more. Egos, normally large on a good day, puff out another inch or two; lawyers who

are known as rational and logical become irrational and emotional. This can flow naturally from the adversarial nature of our legal system, or it may just be old fashion greed. Whatever the explanation, it makes for a contentious and often nasty occasion that is not for the faint of heart.

This is the story of the fictitious Baukus & Johnson law partnership and how some partners are willing to destroy the career of a brilliant young associate solely because they wanted to make more money. It is a classic case of greed in action.

Only you, the reader, can judge whether justice was done in the end.

The Los Angeles County Superior Court system is the largest unified court in the United States with forty-seven separate branch courts; over six hundred courtrooms; and over four hundred judges and numerous commissioners. The setting for this story is the main central court located in downtown Los Angeles.

# CHAPTER I

## The Law Firm Partnership (December 22<sup>nd</sup>)

It was 7:15 a.m., a few days before Christmas, and Mark Austin was sitting in his office drafting changes to a trust when he saw on his computer screen a red light blinking indicating that he had received an urgent email. “Who the hell is sending me an email at this time of the morning?” he thought to himself. His client expected his will and trust to be ready to sign that afternoon and he was trying to finish the first draft so his secretary could make the changes. He decided whoever it was could wait an hour for a reply.

As Mark Austin continued dictating corrections to the trust, he absent-mindedly reached over and touched the Outlook button on his computer to open his emails. When he saw who the urgent email was from, he bolted upright in his chair with a frown on his face. The email was from Harlan Cross, the Managing Partner of the whole damn law firm.

With a law firm like Baukus & Johnson, with almost eighty lawyers, young attorneys rarely get an email from the head man, so Mark quickly opened it. It said, “Mark – Urgent that I meet with you asap. Drop whatever you are doing and come on up to the conference room. Cross”

Mark whistled softly and his heart began to beat rapidly as he contemplated what kind of assignment Harlan Cross was going to give him. He thought back over the last five years and could only

recall meeting Harlan Cross once, and that was earlier in the year when he had been made a junior partner. Mark had actually been elevated mid-year, a full six months before the other members of his incoming group of associates were even considered. Harlan Cross and the other members of the firm's Executive Committee had invited him up to the firm's formal conference room and told him of his advancement. And he could remember Harlan Cross's words as if it were yesterday. "You're doing excellent work, Mark." Cross had turned to Wayne Bailey, the chair of the estate planning department, Mark's immediate boss, and added with a smile and wink of his left eye, "If you land any more clients like Gibbons, we might even give you Wayne's job."

Mark Austin was twenty-nine years old, about six feet tall and weighed close to two hundred and twenty pounds. He had black hair cut short Marine Corp style and, while a little overweight, he was in good shape considering that all of the young lawyers at Baukus & Johnson worked ten hour days at least six and sometimes seven days a week. He had been raised by his grandparents on a rural farm and had been given the nickname "Farmer Austin" by the other associates because he looked like he belonged on a tractor more than in a business suit. But it was a friendly nickname. Mark was a graduate of Stanford Law School and had been second in his class.

Mark had been hired by Baukus & Johnson as a law clerk after his second year of law school. The firm liked the quality of his work and he was offered a position after graduation. The firm assigned him to the corporate law department at first, but he then moved into the tax and estate planning area where he now worked.

The law firm of Baukus & Johnson is located in Century City near Santa Monica in southern California. The firm takes up five floors of one of the many towering office buildings on the Avenue



of the Stars, the former Twentieth Century Fox movie back lot. The firm started in the mid-eighteen hundreds when Los Angeles was still essentially a pueblo town in the desert. Rufus Baukus started out representing local merchants and ended up as counsel for the early banks that sprouted in San Francisco and Los Angeles after gold was discovered. Stanley Johnson was a real estate lawyer and represented the early land promoters. The two joined together in eighteen ninety and as southern California grew from a rural setting to a major industrial economy, so did the firm.

Mark Austin had good reason to think he was about to get a special legal assignment from Harlan Cross. He had not only just been made a junior partner six month earlier, but he had been receiving glowing reviews from every partner he worked with. His clients loved him. They liked his coat off with shirt sleeves rolled up to the elbows casual style, which gave him a friendly guy-next-door appearance, instead of a stuffy lawyer sitting in an office.

The crowning moment had come a year earlier when he had been responsible for bringing in a new client that eventually hired the firm as general counsel for all of the client's corporate and litigation work. The client's name was Boyd Gibbons and he owned five companies in the southern California area that built specialty items for the large contractors, such as Boeing, Hughes and others companies, which built military equipment and worked with NASA on the space program.

Mark had skipped lunch and had been working in the library researching a tax issue when he got an urgent call from Sally, one of the firm's many switchboard operators. "Sorry to bother you, Mark, but I have a gentleman on the line who says he has an urgent labor question. His name is Sam Archer. I tried to reach someone in corporate who handles employment matters but there're all out at a seminar today. Can you help him?" Sally asked with an urgent plea in her voice.

“I had a little experience when I was in corporate, but I’m certainly no expert,” Mark replied with a silent sigh. He hesitated briefly and then added, “But put him on. If it’s important, we’ll get him an answer.”

When Sally transferred the call into the library, Mark said, “Mr. Archer, I’m sorry that our labor attorneys are out today. What’s the question? I’ll try to help if I can. I actually do estate planning now but I was in corporate for a while.”

Sam Archer was a senior vice president of Space Age Manufacturing, one of the companies owned by Boyd Gibbons. “Thanks. I appreciate your taking the call. We kind of got caught in transition on this,” he said. “We don’t have labor counsel right now. Anyway, we’re a union company and the shop steward came barging into my office this morning and demanded that we set up a binding arbitration hearing. One of our machinists screamed and cursed out the plant manager who then fired him right on the spot. The steward says he can’t do that if the union wants arbitration. Can you help us here?”

Mark knew enough to know that union contracts usually cover things like this, so he said, “Mr. Archer, can you fax me over a copy of your union contract? I suspect this is covered.”

Within the hour the union contract was faxed over to Mark. He had been waiting and when it arrived, he flipped through the pages until he found the disciplinary section. He saw right away that the contract had a clause that forced management into binding arbitration if the union requested it over any serious disciplinary action. And he didn’t need to be a specialist in labor law to know that being fired certainly fell into that category.

When he called Sam Archer back, Mark explained what the union contract controlled and that it did require arbitration. He was not happy with the answer but said, “Mark, I appreciate your

quick response. It's not what I wanted to hear, but we'd just get sued if I simply canned the guy after the union's protest. Anyway, thanks for your help. Give me your email address and I'll send over our address to give to your billing department."

It was a few months later that Mark got a call from Boyd Gibbons. "Mark, Sam Archer tells me you're a smart kid and you do estate planning. Is that correct?"

"Yes sir. I did some corporate work for a few years but now I specialize in estate planning," Mark replied.

"OK. I need my trust revised and I'd like to get it done fast. I'm leaving for China this weekend. Think you can handle that?" Boyd Gibbons bluntly asked.

"Yes sir. When can you come in?" Mark asked.

"Well, that's the problem," Boyd Gibbons said. "I'm in Washington D.C. right now and can't get back to Los Angeles until just before I leave. Can we do this by phone?"

It is always best for an attorney to personally meet with clients when doing a trust so the attorney knows the client isn't being pressured by someone, and Mark almost said no until he recalled that he only wanted an amendment. "If you only need an amendment, Mr. Gibbons, I think we can help. Can you get me a copy of your trust and the asset schedules?" Mark asked.

"Yes. Of course," Boyd Gibbons replied. "Sam can get it out of the safe at the office and email it over today."

"What changes do you want?" Mark asked.

"The beneficiaries are all OK. Everything goes to my kids," Boyd Gibbons replied. "But I just got remarried and I want to set up a trust for my wife. The kids will get all of the businesses, but I want her protected. So my assets that are outside of the companies, meaning my home, our ranch in Montana and my brokerage accounts, I think there're three of them, they should all be put

into the trust for Kathy, my wife. I'll write this out and email it to you."

"That's no problem, Mr. Gibbons. I'll need your wife's full name and copies of the deeds for the house and ranch and your stock accounts. We can transfer these into a new trust. The deeds will have to be recorded and the one in Montana may take a few weeks. But an assignment into the trust now will be good enough until you return from your trip," Mark explained.

"I'll have my stock broker call you and work out the transfer of those accounts. When can you get this done for me to sign?" Boyd Gibbons asked rather demandingly.

"Well, if I get everything by tomorrow, I can have everything ready to sign by Thursday. Will that work?" Mark asked.

"That's perfect," Boyd Gibbons replied. "When I email the instructions, I'll include my hotel address here in DC. Overnight the originals. And Mark, thanks for jumping right on this."

Mark Austin could tell that Boyd Gibbons was in a hurry so he quickly asked, "Mr. Gibbons, one more thing. Since you just got married, do you have a prenuptial agreement?"

There was instant laughter from Boyd Gibbons. "Hell no! I actually asked her about that when we got engaged and she, well, she got real angry. I love her dearly, but she does have a temper. She said 'It's me or your fucking money. You choose.' And, well, you know what I did." He laughed again and added, "You'll have to meet her someday."

When Mark hung up the telephone, he realized he hadn't asked Boyd Gibbons what his assets were worth. "Oh well. I can figure that out when I get the stock account," he mumbled to himself.

A copy of Boyd Gibbon's trust was delivered to Mark's office that afternoon. As he was looking over the trust provisions, he also received emails from Sam Archer with the deeds attached. He also

received a fax from Gibbons' stock broker which included three account statements.

Mark was impressed with how quickly Boyd Gibbons had arranged for him to receive the needed documents. He buzzed his secretary to print out the attachments and when she brought them in to his office, he felt a rush of excitement when he saw the stock account. It had a current value of eighty-five million! "God, I wonder how big the ranch in Montana is?" he asked himself.

Mark spent most of that evening at his office drafting the new trust amendment to hold the assets going to Gibbons's wife. When he finished the task and sent all of the legal documents off to Gibbons's hotel in Washington D.C. for signature, he heard nothing more for several months. But then out of the blue he got a call from Sam Archer.

"Mark, this is your lucky day," Sam Archer said cheerfully. Gibbons liked what you did for him. We haven't been happy with our law firm now for some time and we checked out Baukus & Johnson, and they seem to have what we need. So we'd like to transfer over all of our matters, both business and litigation. Can you set up a meeting with your corporate and litigation departments so we can meet?"

It was hard for Mark to hide his enthusiasm. His pulse quickened and his breath caught in his throat for a second. Chances to land a major client rarely happen to a young lawyer and he knew this would end up making him a partner. "Of course, Mr. Archer. When do you want to meet?"

"We have some existing lawsuits that need immediate action, so how about tomorrow?" Sam Archer asked.

After he checked with the heads of the corporate and litigation departments, Mark arranged for a meeting in the firm's main conference room. When he ran the company names

through the firm's computerized conflict system, he noticed that Jerry Keller, the chair of the corporate department, had done a lease for one of the Gibbons's companies seven years ago, but nothing since.

When Sam Archer arrived at the reception area of Baukus & Johnson the next day, he was met by Harlan Cross's secretary, Shirley Samuelson. She was short, about five feet four inches tall, and on the chubby side. Her grey hair was cut short so it sort of framed her round pinkish face. It was her smile and accent that caught everyone's attention. She was very British and said with her beaming friendly smile, "Welcome, Mr. Archer. Mr. Cross and the others are waiting for you in the conference room."

When Shirley Samuelson escorted Sam Archer into the firm's conference room, Harlan Cross rose and walked over to greet him. "Good to meet you, Mr. Archer. I'm Harlan Cross, the firm's Managing Partner." He waived his arm in the direction of the others standing at the conference table and said, "This is Jerry Keller. Jerry's the chair of the corporate department. And Derrick Warner here is the chair of litigation."

When they were all seated, Harlan Cross said, "Mr. Archer, we understand that you're interested in retaining our firm as your primary outside counsel, is that correct?"

Sam Archer looked around the room as he started to reply, but then asked with a slight quizzical expression, "Where's Mark Austin?"

Before he answered, Harlan Cross quickly made brief eye contact with Jerry Keller, cleared his throat and replied, "Well, he's down in his office. I assumed you wanted to talk with the heads of each department."

"Yes, of course," Sam Archer said with a raised inquiring eyebrow. "But it was Mark who did the work for Boyd Gibbons, so he's really the one who got us to consider your firm. Frankly, I expected

him to be here. I think I can safely say that Gibbons would be seriously disappointed if Mark were not involved.”

“Of course, Mr. Archer,” Harlan Cross said with some urgency. “I’ll get him up here.”

Harlan Cross stood and walked over to a credenza that was along the wall at the end of the conference room. He picked up the telephone and buzzed his secretary. “Shirley, give Mark a call. We’d like him to join us in the conference room, right away.”

It only took a few minutes for Mark to reach the conference room. When he walked in, it was Sam Archer who rose to greet him. “Mark, I’m Sam Archer, Boyd’s Executive Vice-President. We talked on the phone once about a labor matter. Glad to finally meet you in person. Boyd thinks a lot of you. You did a fine job for him on quick notice. I expect we’ll see a lot of each other.”

“Thank you, Mr. Archer,” Mark replied with some embarrassment.

There was a few long seconds of silence before Harlan Cross again cleared his throat and said, “Well, Mr. Archer, we’re all here to help you as a team. Jerry here will be responsible for any of your corporate matters and Derrick will supervise any litigation.”

“As I explained to Mark, Sheri Taylor is our inside counsel and she has the details. She’s in New York this week, but I’ll get her over here as soon as she returns. While she’s our counsel, it’s my job to select the lawyers and to keep track of how things are going and that’s why I’m here.”

The conference with Sam Archer lasted about two hours as he outlined what litigation the companies were currently involved in. Mark said very little during the meeting, but when it was over, Sam Archer stood and as they were leaving, he walked over and shook Mark’s hand. “You know, Mark, old man Gibbons is not easy to please. Good job,” as he slapped him on the back.

They were all standing next to the elevator outside of the conference room when Sam Archer turned to Harlan Cross and said as an after-thought, "I almost forgot. Gibbons told me specifically that he wanted Mark to be the billing attorney on his accounts. I know that's a bit unusual, but that's what he wants." He paused for a second and while looking directly at Harlan Cross added, "Will that pose a problem?"

Harlan Cross glanced over at Jerry Keller and he could tell he was about to object so he jumped in and said, "No problem at all. Mark will do a good job."

Sam Archer laughed and said, "Gibbons has hired hundreds of law firms over the years. He knows that the billing attorney is seen within the firm as being in charge of the account and will get well rewarded. I think he just wants to reward Mark for what he did." Turning to Mark, Archer smiled and added, "I assume you're OK with doing the billings?"

Mark's insides had been doing flip-flops during the entire meeting and he was having difficulty controlling his emotions. He knew that what just happened at the meeting would guarantee his success at the firm. He swallowed hard, looked over at Harlan Cross who nodded ever so slightly in consent, turned back to Archer and said, "Of course. We're here to do whatever Mr. Gibbons wants."

No one realized it at the time, but the companies owned by Boyd Gibbons were collectively worth over five billion dollars and the work they did for the government was huge. The fees for the current half-year were going to slightly exceed two million dollars and would no doubt double or even triple in the future because of the litigation matters and the securities work the firm would be handling.



And Wayne Bailey, the chair of the estate planning department and a member of the firm's Executive Committee, was ecstatic when he learned what Mark had done. Based on his recommendation, Mark was promoted to junior partner in the middle of the year.

When Wayne Bailey met with Mark to inform him of his promotion, he said, "Mark, you did a magnificent job landing Gibbons for the firm. We're going to make millions in fees and you'll get a handsome bonus at the end of the year. As a junior partner, you're now entitled to a share of the firm's Tier Two profits and that includes origination credit. Since you got the client, you'll get ten percent of the billings collected and that might get you a hundred thousand or more. Just think. If down the road we collect say four million, that alone will get you four-hundred thousand dollars and that's over and above your regular income. Certainly enough for the down payment on the house you and your wife want," he said encouragingly.

Mark related the good news to his wife that night and they started looking for a home to buy. "Can you imagine," Mark told his wife with a smile and a hug, "we can actually get out of this damn apartment and get a real home."

In late November, Wayne Bailey reminded Mark to prepare a memo to the Executive Committee outlining what he did with Boyd Gibbons and ask for the origination compensation. "Everyone knows what you did already. It's just a formality," he explained.

A few days later, Mark Austin prepared the memo and emailed it to the Executive Committee with a copy to Wayne Bailey. It was the last business day of the month. Wayne Bailey had explained that the firm waits for the year-end numbers before they divide up the profits. "They usually do that in mid-January."

As the Managing Partner who ran the day-by-day affairs of Baukus & Johnson, Harlan Cross had a corner office on the twentieth floor with a view west, overlooking the Pacific Ocean. It was a long rectangular office with a large conference table that could seat at least twenty people at one end, and an antique library table covered with rich blackish looking red leather that he used as a desk at the other end. Although the room had recessed overhead lighting, there was an equally old Tiffany lamp on the library table where Cross did most of his work.

Harlan Cross was in his late sixties, a short man, about five feet four, with a thin wiry frame, grey hair and a dark tan even in winter. He was a graduate of the University of Southern California as an undergraduate and law school, and had been a member of the university's golf team, a game he still played at least once a week, if not more. His specialty was bankruptcy and he had been the lead lawyer on some of the biggest bankruptcies in southern California.

While Harlan Cross was smart, his real forte was his ability to mediate between fighting factions to resolve financial problems. In fact, it was this ability that led the partners to elect him as the Managing Partner. The other two members of the Executive Committee, fondly or otherwise, were called by the younger attorneys "The Scorpions." Unfortunately, the ability to mediate financial matters did not extend to frictions between strong-willed egocentric partners.

When Mark Austin read the email from Harlan Cross asking him to come to the conference room, he immediately grabbed his suit coat that he had thrown over the arm of a client chair when he arrived that morning. As he almost ran out the door of his office, he put on his coat, fidgeted with his tie to make it straight and headed for the elevator. It was still early when he reached the top

floor and he noticed that Harlan Cross's secretary was not there. He walked down the hallway to the conference room, hesitated a moment, and then knocked on the door.

"Come in," Mark heard someone say. As he opened the door and walked in, he saw Harlan Cross sitting at the end of the conference table with two other partners that he knew well. One was Wayne Bailey, the head of the estate planning department and more or less his boss and a member of the Executive Committee.

When Wayne Bailey saw Mark enter, he said, "Come on in, Mark," and waived his hand indicating he should take a seat in one of the conference room high back leather chairs.

"Thanks, Wayne," Mark said as he walked over and sat down in one of the leather chairs. He could feel his pulse begin to increase again as he speculated on what great assignment he was going to get. "Boy, it's not often this group gets together to discuss a project!" he thought to himself.

Mark got along well with Wayne Bailey, and it was Bailey who had pushed for him to be a junior partner. He was in his early forties, close to five nine and about one hundred and eighty pounds. He hated the sun and had pale whitish skin and a plain sorrowful looking face, as if he was always unhappy about something. It didn't help that he had droopy eye lids and unusually black curly hair. But he had something extra. His eyes were as black as coal and when he looked at you, you sometimes felt like a black widow spider was about to leap at you. If he liked you, things were fine. But if you crossed him, he could be ruthless.

The other partner seated at the conference room table was Jerry Keller, the head of the corporate law department. Mark worked briefly with him when he first joined the firm. Jerry was in his late forties, tall at six feet six, light brown hair and brown eyes. And he was slender, almost gaunt like someone with an eating disorder.

He had also graduated from the University of Southern California Law School (half of the firm's partners came from USC) and was a top "rainmaker" for the firm. This title goes to those who are exceptionally good at bringing in new clients. He was out giving speeches two or three days a week to business groups, especially those run by female executives. He considered himself somewhat of a ladies' man and it paid off. He was the highest paid partner in the firm.

As Mark sat down, Harlan Cross sat up straight in his chair, took a sip of water from a half empty bottle of water sitting on the table in front of him and said with obvious empathy in his voice, "Mark, things haven't worked out very well. You've done some really good legal work, but the partners just don't think you'll make it to senior partner status." He hesitated a moment, shook his head slightly and continued in a stiff voice, "Damn it Mark, we think you should know it now so you can move on and get with another firm while you're still young."

It would be an understatement to say that Mark was stunned and he couldn't think of anything to say at first. He felt a wave of adrenalin shoot through his body almost like a bolt of electricity. His heart began to pound in his chest and his vision blurred for a brief second. He finally took a deep breath and in a hesitant shaky voice asked, "Why? I . . . I don't understand. I was just made a junior partner this year!"

Harlan Cross had terminated dozens of associates during the time he had been the Managing Partner. He looked directly at Mark and without blinking said, "I'm sorry, Mark. But the decision has been made. I hope you understand. We think this is in your own best interest. We need you to go down and clean out your desk and turn in your cell phone and key card. We want you out of the building."

It took all of Mark Austin's strength to keep his hands from shaking. He turned to Wayne Bailey and said, "Wayne, what...what's happening? I thought things were fine. Am I being fired?"

"I know this is hard to understand," Wayne Bailey said with his black eyes staring directly into Mark's eyes, "but if you're not going to make partner, its best for you and us to make that decision early. You'll be fine, Mark. I'll be happy to give you a recommendation."

Mark was flustered and not able to think clearly and looked over at Harlan Cross and said in desperation, "Mr. Cross, I've done great legal work since I started here and, you know, it was my quick action to help out Boyd Gibbons that led to the firm getting all of his legal work."

Mark was beginning to calm down and he started to get angry. "You all know this is wrong. What are you not telling me?" he said as he glanced over at Wayne Bailey.

"Mark, we've made a business decision and it is final," said Harlan Cross. "Please. Go down to your office and leave. It's the best for both of us. You'll see that for yourself when you get settled somewhere else."

Mark stood, glanced at the three partners and walked out of the room.

Jerry Keller had said nothing the whole time.

When Mark reached his office, Patricia from personnel was there waiting. "I'm so sorry, Mark. I just heard. Can I help?"

"Thanks, Pat," Mark replied. He reached in his wallet and brought out his key card that allows attorneys to activate the elevators to enter the law firm's floors and handed it to her. "My cell phone and lap top are on the counter. I guess I just need a box to put my certificates in. Something like that," he said dejectedly.

It was like a vice had gripped his stomach and all Mark could do was stare at Patricia. Like anyone in her position, she was embarrassed and avoided eye contact. After a few seconds of silence, she said, "I'll get you a box," and she walked out of his office.

Patricia returned five minutes later with a large box and one of the young men who worked in office services. "This should do Mark," she said. "Tim here will help you take the box to your car."

"Oh yes," Patricia added, "here's your final paycheck."

By now the full staff of the law firm had arrived. When Mark finished packing the box and he and Tim started to leave, he saw his secretary, Marina Monroe, standing by her desk. It was only five feet outside his office and she was crying.

As Mark walked over to say goodbye, Marina said with tears dripping down her cheeks, "Oh Mark, I just heard. What happened? This must be a mistake."

"I don't quite know myself, Marina. But everything will be OK," Mark said in a soft sad voice. He gave her a hug and he and Tim walked down to the elevator. As the elevator descended to the garage level, he was still mystified at what had happened.

When Mark reached his car, he put the box in the back seat, told Tim he could go back to work and drove out of the garage onto the Avenue of the Stars. He turned right and drove up to Santa Monica Boulevard and turned left towards the ocean. He and his wife lived in an apartment in Santa Monica proper and he had intended to go home. But as he drove down the street, the full import of what had just happened hit him and he pulled over to the curb and just sat.

There are many adjectives that apply to how a person feels who has just been fired, especially for no particular reason. They include embarrassment, humiliation, shame, disgrace, dishonor and probably a hundred more hurtful emotions. But you can put them all

together and they won't even come close to the fear and degradation a man feels when he has to tell his wife.

As Mark sat in his car, all of these emotions flooded across his mind and he began to feel dizzy when he thought about what he would say to his wife. Her name was Suzzi Austin and she was an elementary school teacher and would be at her school this time of day. And she was six months pregnant. But that was no comfort. "What will she think of me?" he kept asking himself over and over.

Suzzi and Mark had met through a mutual friend right after he had taken the California Bar Examination. They immediately fell in love and were married four months later. She was a petite brunette with long hair down to the middle of her back, fiery green eyes and a smile that won over anyone she met. Their daughter, Cheryl, had been born ten months later.

When Mark finally reached the apartment, he was numb. Nothing made sense and even though it was only ten a.m., he fixed himself a double Jack Daniels and sat down on the living room couch. What made things worse was the Christmas tree that was in the corner of the living room, all decorated. This was December 22, three days before Christmas. As he sipped his drink, Mark just stared at the presents that were all wrapped and ready for their daughter to open.

When Suzzi Austin finished teaching, she drove by the day care center and picked up their daughter. When they reached the apartment and Suzzi opened the front door, she could smell the odor of alcohol and saw Mark passed out on the couch. She hurriedly told Shirley to go into her room and watch television. When she was out of sight, she walked over to the couch and kneeled down and gently shook Mark's shoulder. "Mark, wake up. What's going on," she pleaded.

When Mark woke up and realized that it was his wife talking to him, he sat up and grabbed her in his arms and squeezed her hard. "God, I love you," he said with a slight slur.

“Mark, what...” Suzzi started to ask, but Mark pushed her back slightly, looked right into her eyes for what seemed like an eternity and said, “Honey, I’ve been fired. I’m so sorry.”

Mark pulled her close again and they just held each other for several minutes. Suzzi could feel Mark’s tears run down his cheek and down onto her neck as she held on even tighter.

After Mark left Harlan Cross’s office that fateful day, the three partners stayed and talked. For the first time, Jerry Keller spoke. “Thanks Harlan. You know as well as I do that we can’t have young lawyers who want to jump in and make big money when they’ve only been with us for five years. No firm can operate that way. The young ones should only get a salary and whatever bonus we give at the end of the year.”

“But we lost a great lawyer,” Wayne Bailey replied. “Mark was already one of the best of the young group. And you saw yourself how eager he was to land old Mr. Gibbons. That was great client getting. You of all people should appreciate that.”

Jerry Keller understood. He was a good lawyer, but his best talent was attracting new business and he was a fanatic in demanding that he be paid for the money he brought into the firm. In the parlance of the legal profession, they call this a “book of business,” meaning the total revenue that comes in each year from “his clients”, even though other lawyers do the legal work.

When he heard Wayne Bailey’s comment, Jerry Keller shook his head and just grunted and said, “He just got greedy. He showed his lack of maturity when he put in for a piece of the Tier Two money because of Gibbons and his companies. You know as well as I do, I worked for one of the companies seven years ago. That means the origination credit goes to me, and not to Mark Austin as he claimed. And to top it off, he actually does the Gibbons’s billings every month. As corporate chair, that’s my job and he damn well knows it.”



“Well, I’m not so sure you’re right on the Tier Two money Jerry,” replied Wayne Bailey. “The partnership agreement, the way we revised it a few years ago, says that the junior partners can participate in our Tier Two profits just like all of the partners.”

“Bullshit,” said Jerry Keller. “The agreement was never intended to let junior partners make a half million dollars just because they bring in a good client. Anyway, the credit goes to the one who first represented the client, and that was me. Mark was entitled to nothing.”

Harlan Cross stood and walked over to the window looking down on the Avenue of the Stars. He stared out of the window for a moment and then turned back and said, “Wayne, I think we better clarify the partnership agreement on this. Why don’t you and Jerry take a hard look and come up with some language.”

“I’ll take a look,” Jerry Keller replied, “but it’s clear to me the partners never intended to let junior partners be paid as senior partners from Tier Two. That would frankly be outrageous. Take Austin, for example. Gibbons’s companies paid us about two million dollars this year and it will most likely be twice that next year with the securities investigation going on. Our formula says that the partner who originated the client gets ten percent of all money collected.”

Wayne Bailey shook his head in disbelief as Jerry Keller continued. “Hell, Harlan, Austin would have been paid two hundred thousand dollars on top of his regular salary just on Gibbons alone. And maybe even four hundred thousand next year. We would never ok something like that!”

“I understand what you’re saying,” Harlan Cross replied with a smile. “And this means a lot to you. As the originator of one of the companies, you’ll now get that ten percent. That might even push your total income to over four million this year.”

“Yes, of course,” chuckled Jerry Keller. “But that’s not the point. The point is we never intended for junior partners to get that type of percentage.”

Wayne Bailey was nervously tapping his pen on the conference room table as he listened to the exchange. He finally said, “The problem is that the partnership agreement does say junior partners. And you might recall, we all sat around several years ago and discussed how we could motivate the young partners to go after new clients.”

“No way in hell,” Jerry Keller said as he slammed his fist down onto the table. “We meant the young senior partners, not the junior partners. The damn agreement may say junior Partners, but that was never the intent.”

Harlan Cross said, “Ok, folks. Let’s calm down. Austin is gone so we don’t have to worry about him. No other junior partner has brought in a big client so we can cure this by revising the agreement. You two get a draft to me by the end of the week.”

As the partners stood to leave, Harlan Cross turned to Wayne Bailey and said, “Wayne, it was a partner in your department that lost confidence in Austin. What went wrong?”

“I’m somewhat surprised myself,” Wayne Bailey replied. “It was Alison Craft. She just doesn’t want to work with him anymore. I asked her why and she said ‘He’s eager enough, but he’s having trouble with the difficult tax issues that drive most of the big estates.’ And as much as I liked him, we can’t force someone on a partner.”

The next day Jerry Keller pulled from his files his copy of the partnership agreement. He flipped through the pages until he found the section entitled “Allocation of Tier Two Profits.” It read:

“Tier Two Profits (in excess of Tier One Profits) shall be allocated to the partners as follows:

- a. 10% for origination credit;
- b. 20% for work given to others;
- c. 30% on the partner’s own hours and fees collected; and
- d. 40% on the merits of each partner’s contribution to the firm’s success.”

“Shit,” Jerry Keller said to himself. He realized the agreement did not actually define the word “partners.” He checked the index and found the section on junior partners but all it said was “Junior partners and non-equity partners may be affiliated with the Partnership at any time during the existence of the Partnership.”

“How in the hell could we have let this slip by?” Jerry Keller asked himself in disgust.

When he saw that the partnership agreement was at best ambiguous, he walked down the hall to Wayne Bailey’s office. When he stuck his head in the door, Wayne was seated at his huge round table where he did most of his work. Typical of most estate planning attorneys, his desk had not seen the light of day for years due to the files stacked on it. And his couch and most of the floor space was also covered in stacked files. It always puzzled Keller how someone could possibly work that way. “How could he possibly know what’s on that floor?” he asked himself.

There was no empty chair so Jerry Keller just stood. “Wayne, the damned agreement just says ‘partners’ without defining them. I think we really should amend it right away. All we need to do is add a definition so only senior partners are eligible for Tier Two.”

Wayne Bailey agreed and a short amendment was circulated among the senior partners to sign the following week. Wayne

and Jerry decided it was best to have it dated December 31<sup>st</sup> so it would apply to any compensation for the current year. The amendment said:

“The purpose of this amendment is to clarify the eligibility requirements for Tier Two compensation.

The phrase “partners” means senior partners who have been admitted to the partnership as equity partners.”