



CHICAGO LITIGATION DEPARTMENTS OF THE YEAR

A SPECIAL REPORT

In this issue, The National Law Journal highlights litigation departments at law firms in Chicago. We asked top litigation practices to tell us about their operations—biggest wins, head counts, toughest opponents and even their losses. The NLJ staff then evaluated the information and selected the eight firms that you'll read about in these pages. Winston & Strawn earned the top spot, but it was a close call, and we selected two finalists: McDermott Will & Emery and Sidley Austin. We also spotlighted firms with distinguished practices in insurance, intellectual property, labor and employment, mass torts/products liability and white-collar defense.

REED SMITH

INSURANCE

When clients need to collect from insurers, Reed Smith lawyers—simply put—make that happen. Last year was particularly successful for the Chicago insurance-recovery group, which has 25 attorneys. Firmwide, 86 Reed Smith attorneys are in the group.

A September Texas state court bench ruling, followed by an October written order, allowed Anadarko Petroleum Corp. to recover more than \$112 million from insurers in defense costs for third-party claims stemming from the Deepwater Horizon oil spill of April 2010.

Anadarko's hurdle was an insurance policy with several insurer subscribers that substantially limited coverage for claims arising out of a co-venture situation, said John Shugrue, Reed Smith insurance-recovery group partner. Anadarko, BP PLC and Moex Offshore 2007 LLC were joint lessees on a federal oil and gas lease in the Gulf of Mexico, he said.

"We were operating on new ground in terms of litigating over those issues," Shugrue said.

Ultimately, Shugrue's team convinced the state court that a 2012 ruling in the Deepwater



JOHN SHUGRUE

Horizon federal multidistrict litigation created an exception to the coverage limits.

The court held that the joint-venture parties were jointly and severally liable for federal Oil Pollution Act costs and damages. Based on that finding, the Texas state court held that Anadarko's insurers must pay the company's defense costs for third-party claims linked to the oil spill.

The result is important because co-ventures are common in oil and gas exploration and production, Shugrue said.

The practice also secured a January 2014 Delaware Superior Court ruling that three insurance companies must defend asbestos liabilities that CNH Industrial America LLC

acquired from another company along with the rights to insurance.

The case involves millions of dollars of CNH's asbestos litigation costs, said insurance-recovery group deputy practice group leader Jim Davis, who led the case.

CNH sought defense costs for 117 asbestos cases related to injuries during policy periods from the the early 1950s through the early 1970s.

The litigants worked on brake systems and other parts of heavy trucks decades ago, Davis said.

"There's been a national battle brewing between policy holders and insurers about whether or not corporate transactions can defeat insurance rights for the remaining corporations," Davis said.

State courts are split on whether a corporate transaction that transfers an insurance policy can transfer insurance rights for earlier losses, Davis said. Delaware guidance is important because many companies have corporate ties to the state, he said.

The firm also helped third-party administrator Southwest Re Inc. close an arbitration that

started as a Minnesota federal court case. Security Life Insurance Co. of America sought millions of dollars for fraud, breach of the reinsurance agreement and other claims.

Southwest's modest settlement involved repaying fees billed in error to Security Life, said Southwest general counsel David May, who said he's hired Reed Smith insurance lawyers for about a dozen years.

"The chemistry is right, the knowledge is right, the work is superior," May said.

—SHERI QUALTERS

"THE BEST PIECE OF ADVICE I EVER RECEIVED..."

...was from Ralph Duggins of Cantey Hanger in Fort Worth, who was a Texas counsel for my prior firm. His philosophy for practicing law was, 'Often wrong but never in doubt.' You have to be decisive as a lawyer, you have to committed to your own judgment, you have to be prepared to lay that on the line for clients. You can't be afraid to give advice because you might lose."

—JOHN SHUGRUE