

Galleon Judge, Ex-Kasowitz Partners Launch Boutique Firm

By **Martin Bricketto**

Law360, New York (February 07, 2012, 3:23 PM ET) -- The New York federal judge who handled the Raj Rajaratnam trial is leaving the bench to start a firm specializing in commercial litigation, securities fraud and white collar cases with two former Kasowitz Benson Torres & Friedman LLP partners, the attorneys announced Tuesday.

Richard J. Holwell, formerly with the Southern District of New York, is rejoining New York-based trial lawyers Michael Shuster and Daniel Goldberg at a new boutique litigation firm that bears their names, Holwell Shuster & Goldberg. The three practiced together at White & Case LLP before Holwell was tapped for the Southern District in 2003.

Holwell said in a statement that serving as a federal judge was the honor of a lifetime, but added, "It's time for me to stretch my legs and return to my roots as an advocate."

"Only the most exceptional opportunity would have compelled me to leave the bench. To create a firm with Mike and Dan, two litigators at the very top of their craft, is just such an opportunity," Holwell said.

Dorit Ungar Black, another former Kasowitz partner, is also joining Holwell Shuster & Goldberg as a founding partner. Black has 11 years of experience as a commercial litigator and international arbitration specialist, according to the firm.

The new firm expects to focus its practice on complex commercial litigation, securities fraud, antitrust, international arbitration, white collar, government investigation and other matters. It opened its office on Madison Avenue in Manhattan Tuesday.

Besides the insider trading trial of Rajaratnam, founder of Galleon Group LLC, Holwell presided over securities fraud litigation surrounding French media giant Vivendi Universal SA and the civil case the U.S. Securities and Exchange Commission brought against Martha Stewart for alleged insider trading, which Stewart settled in 2004.

Holwell said Tuesday that the move also made sense for him because he had recently finished a number of big cases, leaving him in a position where he could wind down his judicial career without jeopardizing important proceedings.

Holwell added that there seems to be room in the marketplace for the kind of boutique firm he and his partners are starting and pointed to the conflicts that larger firms can often encounter.

“The idea was to start a firm that was big enough to handle anything but small enough to not run into these constant conflict problems,” said Holwell, who officially left the bench as of Tuesday.

Holwell had been an executive partner for disputes with White & Case from 1995 and 2003. In private practice, he and Shuster, who was the global head of litigation at that firm, worked on more than 30 civil and criminal suits in the U.S. and abroad related to Credit Lyonnais.

Shuster said in a statement that their new home will be an “elite litigation boutique capable of handling the most demanding matters anywhere in the United States or abroad.”

“It’s tough to leave such a high-quality firm as Kasowitz, but the market is increasingly amenable to sophisticated boutiques, and the moment was right for us to create this new firm,” Shuster said.

Shuster represents corporations and other clients in complex financial matters, securities litigation, antitrust matters and corporate governance matters, according to his biography with Kasowitz.

Holwell worked with Goldberg in 1997, representing then New York Governor George Pataki in a case that eventually backed the governor's authority to remove former Bronx District Attorney Robert T. Johnson from a first-degree murder case for failing to state if he would ever use the death penalty.

Goldberg's practice focuses on commercial contracts, complicated financial instruments, business torts, bankruptcy, and commercial leases, according to his Kasowitz biography.

Both Shuster and Goldberg joined Kasowitz in 2006.

Hoping to recognize changes in the market for legal services, Holwell Shuster & Goldberg expects to be at the forefront of the movement away from traditional hourly billing toward value-based fee arrangements, its attorneys said.

“Our new firm is committed to responding to oft-expressed client preferences for billing arrangements that are responsive to clients’ desire for cost certainty and appropriate risk sharing,” Goldberg said.

--Editing by Kat Laskowski.