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LOOPER REED & MCGRAW P.C.

Cleve Clinton Attorney of Looper Reed McGraw PC on Business Spotlight

Patrick: Welcome to the Business Spotlight. I'm your host, Patrick Dougher. I have a fabulous show today.

I've got a litigator. It's kind of funny. Have you ever heard of somebody that says, "Yeah, I like to play with mavericks. They're in my field. I like to chase them down, I like to represent them because usually the guys that think big, plan big usually fall in big do-do." Cleve, thanks for being on this show.

Cleve: My pleasure.

Patrick: Your law firm is Looper Reed & McGraw, right?

Cleve: Correct.

Patrick: When I think of mavericks, I imagine you probably have handled some doozies to come up with that. Tell me something about what you're doing.

Cleve: A classic maverick is an entrepreneur. He or she is someone who has posed himself up by the beach, drives every morning, they're the chief cook, bottle washer, they open the door to their business, they have hired all the employees. Often they're the accountant, the HR personnel, the benefits personnel, they're the managers, they're the supervisors. Then one day the successful entrepreneurs grow up and their businesses grow up and they turn into successful businesses.

As that entrepreneur – that maverick – learns how to grow his business then someday he learns to delegate. When he or she learns to delegate, then they create a robust business that I have often described it as it rises above the radar screen of litigation and all of a sudden makes them a nice target for people to want to shoot at.

Patrick: I know in our culture you can sue people for everything or anything is what it sounds like, right?

Cleve: Absolutely.

Patrick: What are some types of people that you've really been able to help? I'd like to hear some stories, because there's nothing that tells people more about what you do than a couple of good stories.

Cleve: There's one client who is in the electronics manufacturing business. It's a small industry, small number of available customers, and it was not uncommon for them to have a customer come in, make big promises of big orders and want a low price. In order to deliver the price they need to deliver inventory. They need to purchase inventory in quantity so they too could in turn pass over the reduced price and the customer would intentionally (or unintentionally) end up with the large order that would not be filled, leaving my client with an unusually large amount of inventory which was then burning against their line of credit. Tough situation.

Over time in a long time of representing this particular client, I've persuaded them to enter to a manufacturing services agreement. The purpose of which was to sit down with the customer on the front end to eliminate what's often called in the Uniform Commercial Code a "battle of forms." I send you a request for purchase, you send back to me a purchase order, I send back to you the invoice and so forth. Each one of those documents takes precedence over the other.

In this particular case, the customer and my client agreed that they would enter to the manufacturing services agreement. The master agreement would control whatever the form said. The result of which was one of the clients that the customers that my client had had an inventory run up of over \$750,000, and because of the services agreement they were able to persuade their customer that they needed to repurchase the inventory to the tune of three quarter of a million dollars. It was very successful, and it was done without the necessity of litigation. In fact, I really didn't even get involved.

Patrick: That's awesome. I know that in the last few years with credit drying up the way that it has, it's been probably a bit of a nightmare for a lot of businesses to try to get a good price, but yet it's like, "You're going to pre-pay for this stuff, right?" What else are you doing for your clients that is really setting you apart as an attorney?

Cleve: That's perhaps the preparation of the fix the problem after it's already left the door.

Patrick: The fire is going!

Cleve: Right, which is the time you get called more often than not. The house is on fire, could you please send over the fire truck – or better yet, the fire prevention company to stop the fire?

Patrick: That's right. The insurance didn't work.

Cleve: It's a little late. I regrettably had a couple of clients that did not manage to execute a will. In one case, the family was expecting that the normal course of the delivery of the estate was going to be taken care of easily. Instead, there was a girlfriend that showed up with an alleged will. The notary public on the will we were able to track down and find out that the notary had, in fact, not signed the will. That was gone. That was a little litigation that worked out well.

Patrick: That is excellent. I want to really look at who's the ideal client for you because I know that you have a specific qualification. They need to be somebody that's kind of a mover and shaker, and really get into what their experience with you is like as far as how to engage, how to connect, and what to expect all the way down the road.

This is the Business Spotlight. The show is really about having successful business owners tell their story, to show a different story – a successful story – in the workplace today. I'm Pat Dougher, we'll be right back.

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Patrick: Welcome back to the Business Spotlight. I'm your host, Patrick Dougher. My guest today is Cleve Clinton. He's an attorney in the DFW area and he loves to play with mavericks – as in represent them because usually they get into the biggest mess.

So Cleve, thank you so much again for being on the show, and I really want to get into more of who you serve. Who's your ideal client?

Cleve: My ideal client is a maverick. It's an entrepreneur. It's someone who owns their own business and they've built their business up into something that is larger than themselves. They've delegated much of their responsibilities to other people, they have probably three or four managers, they perhaps have an accountant on board, perhaps an HR manager and they've got 50-100 employees or more.

Patrick: When you go to work with those people, what's the process that you walk them through?

Cleve: Often they come to me when the house is on fire, so my goal when everything is falling around their ears is to sell them a little peace of mind. That's the number one thing that I think all of us are looking for. How do I know that everything is going to be all right? That's generally very easily obtainable, certainly once you can identify what the problem is and then you can identify what the goals are going to be. Once you've identified that you've got a goal in mind, then it's just a process of getting to the goal.

Patrick: How does an engagement start? Somebody has been served with some sort of papers, they call you and go, “Bail me out” or “Help me!” Is that typical?

Cleve: One case that I had recently was a case where a client had been served with papers. The bank was trying to collect money from them. They contended that the bank should’ve provided a line of credit to them and did not. As they talked more and more, we delved into their records. Inevitably the process is to both understand the client’s dilemma and then to encourage them to go find all the documentation that supports – or is the problematic even – so that you can deal with whatever the problems are for their position.

In this particular case, the client kept insisting that they had reached an agreement to extend their letter of credit and, in fact, we found e-mail exchanges between the lawyers that we believe were sufficient to support an argument that the contract had, in fact, been completed because of the authorized agents – the lawyers were agents for each of the parties. Their exchange of e-mails we argued created a completed a renewed and amended letter of credit. The result of which was that instead of the client being in the fault, the fault was the bank’s.

Patrick: Wow. I bet that didn’t go over too well at their office.

Cleve: About \$12 million worth of not too well.

Patrick: Sweet. Wow.

Cleve: That worked out very well. The client was pleased and it put us in the position to work with the bank to more favorable terms, shall we say, for a business divorce between the parties.

Patrick: I completely get that. I’m just curious, though, do you spend your time in court or is it mostly in negotiation? My background in watching attorneys has been it seemed like they were always trying to negotiate out. What’s your experience?

Cleve: That’s a great question. Many of my clients – entrepreneurs – would rather not spend much time at the court house and they don’t understand what lawyers are doing banging around at the court house spending a lot of their money in cost and expense at the court house.

On the other hand, the circumstances sometimes require it. The ultimate goal is to come up with the right tools that put you in a position to get the best result as fast as possible. Time really is money, and so the faster you can get to a good result, the better the result probably is going to be and the more satisfied the client is going to be.

Patrick: Absolutely. I know that time kills deals, or it probably in your situation just adds cost. How would someone connect with you if they want to get a hold of you?

Cleve: To get a hold of me, you can e-mail me at cclinton@lrmlaw.com or you can go to www.TiltingTheScales.com. We do two articles a month. We're likely expanding that to go into more, but our goal is to provide business insight with a little bit of humor into legal issues that effect business owners, much like the mavericks that we like to represent.

Patrick: I wouldn't doubt. I'm sitting here just thinking, when somebody does connect with you is there a process that you walk them through or a system that you enter them into?

Cleve: Classically, the starting point – you wouldn't believe almost every client is to get them to sit down and figure out what their problem is and what is it they think they really want. Then my job is to try to tell them in as polite and perhaps as encouraging words as possible whether I think I can deliver them. For example, it's not uncommon for me to say, "I'm sorry, dueling was abolished a couple of hundred years ago, so that's not an option. We'll have to go to option number two."

Patrick: Oh, I totally get that. Your website again is?

Cleve: The website is TiltingTheScales.com.

Patrick: Then your firm's phone number?

Cleve: (214) 954-4135. LRMLaw.com also gets to all the lawyers in the full formal extravaganza form for the law firm. TiltingTheScales.com is more tongue-in-cheek legal humor.

Patrick: I get it. This is the Business Spotlight. Cleave, thanks so much for being on the show.