

VERDICTS & SETTLEMENTS

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RIGHT PLACE, RIGHT TIME

ROBERT LEVINS / Daily Journal

Richard H. Chernick's serendipitous life has gone from helping then-USC law school dean Dorothy Nelson write a book on court administration to law practice representing judges to becoming vice president of JAMS.

By Mindy Farabee
Daily Journal Staff Writer

LOS ANGELES — Richard H. Chernick, vice president and managing director of arbitration practice at alternative dispute resolution giant JAMS, keeps more than 2,000 bottles of wine stowed in his personal wine cellar. Three years ago, he broke out one of his most prized bottles, a 1945 Chateau Mouton Rothschild Bordeaux, for the occasion of his 60th birthday.

Experts recognize that year as a particularly stunning vintage. But while 1945 was a very good year to be a grape, it was a great year to become Richard Chernick.

"I've always been in the exact right place at the right time," says Chernick, who also serves as chairman of JAMS' board of directors. "I've lived a charmed life."

The first person in his family to attend college, Chernick earned his undergraduate degree from UCLA. Continuing on to law school, he said, was mainly a means to avoid being drafted to Vietnam.

But on his first day at USC School of Law, everything just clicked, he said.

"Everyone figures out law school [sometime] in their first year; I just figured it out first," he said.

It was also at USC that he enrolled in a pioneering class on court administration taught by Dorothy Nelson, then dean at what now is called USC Gould School of Law, and now a senior judge on the 9th U.S. Circuit Court of Appeals.

The year after Chernick took the course, Nelson decided to write a book on the subject, and she asked Chernick to assist. The work went well, he said, and Nelson recommended him as counsel to the California Judges Association. As a result, representing courts and judges on matters like retirement benefits, budget, personnel and courthouse facilities issues became a very substantial part of his practice.

"Good things have always happened to me," Chernick says.

Chernick ultimately practiced law for 24

years, beginning as a clerk for California Chief Justice Donald R. Wright immediately after graduating from law school in 1970. After a year with the state Supreme Court, Chernick joined the firm of Gibson, Dunn & Crutcher, where he worked from 1971 to 1994, first as an associate then as a partner.

After that, he left lawyering altogether, in favor of what was then the relatively new field of ADR. In the beginning, Chernick saw it as an opportunity to sharpen his skills as an advocate. But it quickly began to mean something more, he said.

"In 1994, when I sort of began to feel I was doing the same stuff over and over again as an attorney, I thought, 'Here's an opportunity to do something different.'"

That year, Chernick signed on as a full-time arbitrator with the American Arbitration Association.

He switched to JAMS in 2001 after receiving a call from JAMS CEO Steve Price, asking him to join. More of a mediation firm at the time, JAMS wanted to build its national

Arbitrator Says Serendipity Helped Him Succeed

arbitration practice, Price told him.

The offer gave Chernick the opportunity to reorganize the company's arbitration practice up from the ground up. It was a task he took literally, from designing the firm's rooms to recruiting neutrals to designing a training program and creating a procedural blueprint, and it turned out to be one of the most rewarding parts of the job, he said.

"Getting parties from A to B in the most efficient way ... is half the game," he said. Capturing the value of dispute resolution means "you have to give them a perfect customer experience. I think people select me, or JAMS, because we can give them guidance."

A one-time English major, Chernick says at any given moment he's got a stack of novels waiting for him back at the house. Among his overall top picks, he counts, "A River Runs Through It," by Norman McClean, the mid-1970s novella known for employing transcendent depictions of fly-fishing. In McClean's prose, Chernick says he finds an analogy to arbitration.

"That's exactly how I approach my work," he said. "No matter how seemingly dull a subject is, if you get into it deeply enough, it becomes interesting."

For instance, although he has presided over a number of big-ticket entertainment disputes, billion-dollar construction snafus and international disagreements, Chernick cites a recent technology case as one of his most compelling.

In that arbitration, a quarter-billion dollars was at stake as the various parties sought to ascertain who was at fault when a communications satellite flamed out during a close encounter with the moon on its way into orbit.

"Literally, every witness was a rocket scientist," he said.

By the time a settlement was reached, Chernick could have moonlighted at NASA. But what really captured his attention was that the lawyers and their experts were such great storytellers, he said.



Richard H. Chernick

Age: 63

Affiliation: JAMS

Location: California, but will travel

Areas of Specialty: business/commercial, construction and construction defect, employment, entertainment/sports, healthcare, insurance, intellectual property, international, real property

Rates: \$7,000 per day

A veteran of nearly 1,000 such high-stakes cases in his 15 years as an arbitrator and mediator, that's one of the great pleasures of the business, Chernick says - watching exceptional lawyers work their way through massively complex, multiparty, months-long arbitrations, in which the legalities can get Byzantine and the power point presentations are de riguer.

It's a milieu in which Chernick excels, lawyers say.

"What's unique about Richard is just how very smart he is," said Scott Edelman, a partner and co-chair of the media and entertainment practice group at Gibson, Dunn & Crutcher, who represented NBC in a recent arbitration. "In a field of smart people, he's at the top in terms of being able to think through complex issues."

"He has an almost encyclopedic recall of major California legal issues relating to unfair competition, antitrust and related matters," said Dana Levitt, a Foley & Lardner attorney who has argued several complex commercial cases in front of Chernick. Likewise, Levitt sees Chernick's command of arbitration law and procedure as "completely superior." But perhaps even more important, Levitt continued, "he is very organized, very judicial, and very formal in his approach."

In other words, proceedings will begin on time under Chernick's watch.

As a fixture on the ADR scene since it emerged as a serious market force in the mid-'90s, Chernick has acquired an image as a thoughtful arbitrator with a temperament of a seasoned judge. But according to the man himself, what most people don't realize is that beneath his formal, deliberative demeanor lurks a funny bone.

"Despite my game face, I do find some of the stuff that's happening very funny," he said.

After all, after a decade and a half of arbitration "almost everything that could happen, has happened," he said, "including at least one fistfight."

Here are some of the lawyers who have used Chernick's mediation and arbitration services: Jeff Davidson, Kirkland & Ellis, Los Angeles; Fred Magaziner, Dechert, Princeton, NJ; James Hurst, Winston & Strawn, Chicago; John J. Lavelly, Jr., Lavelly & Singer, Los Angeles; Ronald J. Nessim, Bird, Marella, Boxer, Wolpert, Nessim, Drooks & Lincengerg, Los Angeles; Scott A. Edelman, Gibson, Dunn & Crutcher, Los Angeles; Sheldon Eisenberg, Eisenberg Raizman Thurston & Wong, Los Angeles; Robert Barnes, Kaye Scholer, Los Angeles; Arthur Shartsis, Shartsis & Freise, San Francisco; J. Michael Hennigan, Hennigan, Bennett & Dorman, Los Angeles; Anthony J. Olivia, Allen, Matkins, Leck, Gamble, Mallory & Natsis, Los Angeles; Dana Levitt, Foley & Larnder, Los Angeles