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More Boies Clients Used Family Firm

**Tyco, Qwest, Among Others,
Have Conducted Business
With Documents Company**

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Qwest Communications International Inc. and Tyco International

Ltd., two major clients of the law firm of Boies, Schiller & Flexner LLP, paid millions of dollars to a legal-document-management company that was partially owned by members of the family of star lawyer David Boies.

About half a dozen other Boies Schiller clients have used, or are using, the document-management company, Amici LLC, to store and manage legal documents since the company's founding in 2002. One of Amici's founders was William F. Duker in Albany, N.Y. Mr. Duker, a lawyer and former associate of Mr. Boies, pleaded guilty to four felony counts and was sentenced to 33 months in prison in 1997 for falsely inflating legal bills to the federal government.

As reported, Adelphia Communications Corp. disclosed this week that Boies Schiller resigned as special counsel to the company at Adelphia's request after the cable company discovered business ties between Mr. Boies's family and Amici, which Adelphia also used. Adelphia asked Boies Schiller to resign about two weeks ago, after Adelphia discovered what it considered a conflict. Adelphia didn't know of any Boies family ties at the time it hired Amici.


Mr. Boies in an interview said yesterday he should have fully disclosed his children's' ownership interest in Amici. "I should have made certain that everyone knew about it," he said. He added that "a half dozen, or maybe eight Boies Schiller clients also use Amici."

Mr. Boies also confirmed that members of his family indirectly own stakes in a document-copying company called Echelon Group LLC. Echelon in Boies Schiller's in-house copying service for its Manhattan and Armonk offices, and had revenue of a little less than \$1 million last year, Mr. Boies said. He said that Amici was only one of several companies that Boies Schiller recommended to Tyco and that Tyco made its own independent decision. He added that Boies Schiller wasn't involved in Qwest's decision to retain Amici. Boies Schiller was counsel for both companies at the time they used Amici.

Spokesman for Denver-based Qwest and Tyco, which operates out of West Windsor, N.J., both declined to comment on their relationship with either the Boies Schiller firm or Amici.

Mr. Boies has long held out himself and his law firm as corporate governance champions. "Boies Schiller should have disclosed all it knew about [Amici] to his clients, including the involvement of his family

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and a convicted felon," says ethics expert Gregory Taxin, chief executive of San Francisco-based Glass, Lewis & Co. "My guess is that clients, armed with the disclosures, may well have chosen a different firm to do production."

Legal experts say that clients paying hefty fees to Boies Schiller for legal work might balk at the knowledge that partners and relatives of people in the law firm are reaping additional financial benefits from associated work, without the companies even knowing about it. There is, says Stanford University law school ethics expert Deborah Rhode, "an appearance of impropriety." It's really up to the client to select a document production firm, not the lawyers

Mr. Duker worked for Mr. Boies, at the New York law firm of Cravath Swaine & Moore starting in 1983. He helped the famed litigator on the high-profile defense of CBS Inc. in a libel suit filed by retired Gen. William Westmoreland. After leaving Cravath to head his own firm, the now-defunct Duker & Barrett, he assisted Mr. Boies in 1990 in representing the Federal Deposit Insurance Corp., and its sister agency, the Resolution Trust Corp. in a case against Michael Milken, the former junk bond king. Mr. Duker began fiddling with the bills in October 1990, a month after the FDIC work began, according to the charges to which he pleaded guilty.

Mr. Duker didn't return calls to his Albany home yesterday.

Craig Freeman, president and chief executive of Amici, said that the "majority" of Amici's clients have no affiliation with Boies Schiller. He declined to give the firm's revenue, number of clients, or main investors. He said Mr. Duker no longer had a management position at the company, but when asked if Mr. Duker had a consulting contract or office at the company this year, he said "I don't know how to describe that relationship." He said while Mr. Duker had a small investment in the company, Mr. Duker's family had a larger stake.

Philip Korologos, the lead Boies Schiller attorney on the Adelphia case, said Mr. Duker resigned as Amici's managing director in December 2003. Four of Mr. Boies's children had indirect stakes in Amici through a company called Legal & Scientific Systems LLC totaling about 25.5% of the document company. The wife, mother and mother-in-law of Nick Gravante, a Boies Schiller partner, own indirect stakes.

Several attorneys with clients in criminal and civil cases related to government probes into both Qwest and Tyco said yesterday that they, too, paid fees to Amici in order to obtain documents to defend their clients in civil suits. These lawyers said that they didn't know of the Boies family's relationship to Amici.

Mr. Korologos has said that Adelphia paid Amici between \$5 million and \$10 million for storing and managing legal documents. Qwest and Tyco paid similar fees, according to people with knowledge of the fees for each of the company. The Boies Schiller firm has billed tens of millions of dollars defending Tyco and tens of millions defending the other companies, according to people involved in each of the legal cases. Qwest paid Boies Schiller about \$16 million in legal fees in 2002 alone.

--Nathan Koppel contributed to this article.

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