When we, along with Leo Linbeck Jr., founded TLR in 1994, we thought we could engage in an election or two, in a legislative session or two, and call it quits. Mission accomplished.

Well, not quite.

Even though we achieved major tort reform in 1995, with the leadership of Gov. George W. Bush and Lt. Gov. Bob Bullock, much was left to do. Consequently, TLR has engaged in every legislative session since 1995 and TLRPAC has engaged in every state election since 1994. We also learned there is no calling it quits. The personal injury and mass tort lawyers are too persistent, too clever and too exploitive to allow the business community to retreat from its efforts for a fair, balanced and predictable civil justice system.

And thus, nearly a quarter century has passed since we first set out to reform Texas’ civil justice system. As we three grow older, we remain fully committed to TLR’s mission and will continue to be actively engaged in achieving it. But as good stewards, we must make sure TLR is sustainable beyond the time that our energy fades. Recent changes to our structure make Dick Weekley TLR’s senior chairman, Dick Trabulsi its chairman, and Hugh Rice Kelly its senior general counsel. Lilyanne McClean comes on board as TLR’s president, joining our senior colleagues, Executive Director Mary Tipps, General Counsel Lee Parsley and Communications Director Lucy Nashed. TLR has experienced legal, lobby and political teams, including lead outside legal counsel Lisa Hobbs, lead lobbyist Mike Toomey and political consultant Drew Lawson. Our able administrators are Glenda Hovey and Kristie Vazquez.

McClean will engage in the full breadth of TLR’s legislative and political activities—including strengthening our network of regional chairmen comprised of business and civic leaders across the state—as well as fundraising with Dick Weekley. Dick Trabulsi will continue to engage in our legislative, legal and communications activities.

Recent additions to the TLR Board are Marc Watts and Michael Weekley, joining Dick Weekley, Trabulsi, Kelly, Shad Rowe and Alan Hassenflu. Fred Heldenfels Jr. continues to serve as our treasurer. David Haug serves on the TLR Foundation Board with Kelly and Trabulsi. The TLRPAC Board and Advisory Board are composed of accomplished men and women in the private sector who are also active in Texas politics and public policy. They provide the leadership that makes TLRPAC one of the most successful and consequential political organizations in Texas.

Moving forward, we also expect to widen our lane a bit in legislative advocacy, allowing us a voice on matters of critical importance to our justice system, our administrative law system, and other select, transformative issues impacting the business climate in Texas. TLR is here to stay.

Richard W. Weekley
Senior Chairman

Richard J. Trabulsi Jr.
Chairman

Hugh Rice Kelly
Senior General Counsel
If you missed our announcement a few weeks ago, we are excited to share that Lilyanne McClean will be joining our team as president in April. From her time in D.C. to her leadership at the Greater Houston Partnership (GHP), Lilyanne has built an impressive track record in government and public affairs. Lilyanne will be based in TLR’s Houston office. She will work closely with our Senior Chairman Dick Weekley on fundraising and on mobilizing the business community behind smart reforms to keep Texas’ courts fair, efficient and accessible. Here, TLR Executive Director Mary Tipps helps us get to know more about Lilyanne’s background, her plans for her new role, and more.

Mary Tipps: Lilyanne, we are thrilled to have you on our leadership team. Tell me about what drew you to TLR?

Lilyanne McClean: Mary, thank you so much—I’m thrilled to be part of the team. I was drawn to TLR because of its commitment to keeping Texas the best place in the United States to do business, which has translated into incredibly positive outcomes for the job creators who operate in Texas. I recently met with a very senior business leader from another state and he said, “We all wish we could be more like Texas.” I think that says a lot.

MT: What do you hope to accomplish in your new role?

LM: TLR has established itself as one of the most influential organizations in Texas. I learned at American Express that when you are the first in a category, your number one job is to preserve it—and that’s not as easy as people think. You must maintain the commitment to your mission while constantly working to expand your support base. And importantly, you must consider how developing trends will affect the organization. Together, I know we can do that.

MT: You’ve had experience in lawsuit reform from your time at American Express. Why do you think lawsuit reform is important?

LM: When business people make decisions about where to operate, they analyze every aspect of the economic playing field, and taxes and the litigation environment are at the top of the list. I have worked in other states—Florida, New York, Utah, Arizona, North Carolina—and you can clearly see the challenges that businesses, particularly smaller businesses, are facing in the courts. A board member from GHP recently told me that he is sued regularly—and he always wins—but it certainly forces him to spend money that he could be using to hire people and expand his business.

MT: How does Texas compare to other states in terms of our legal system and our business climate as a whole?

LM: For years, I worked in states that envied Texas for its business climate and disciplined approach to

Fast Facts on Lilyanne

» Bachelor’s degree in economics, Montclair State University
» Law degree, George Washington University Law School
» Master’s degree in communications and technology, Georgetown University

Experience

» Executive Vice President of Public Policy and Communications, Senior Vice President of Public Policy, Interim President and CEO, Greater Houston Partnership
» Senior leadership team, K-Global
» Senior policy and communications advisor, Bryan Cave LLP
» Senior Vice President, Vox Global

McClean began her career in public policy, government affairs and public affairs in Washington, D.C., in 1994, after working for several years on Wall Street. She spent a large portion of her early career at American Express Co., with a broad portfolio that included securities litigation reform, regulatory relief and federal tax policy.

Community Involvement

» Council on Foreign Relations
» Business Council for International Understanding
» Business Roundtable
» Graduate communications instructor, Georgetown University School of Continuing Education
I am a dog lover. I wanted to be the lead representative for the company in the House, Senate and the White House, which meant I needed to be able to keep pace with the best lawyers in Washington from the banking agencies, Treasury Department, State Department and the Federal Reserve Board. Then when I was working in the public affairs sector, the Georgetown degree [in communications and technology] was a natural fit with the rise of social media and the impact technology has on our lives. I’d like to think this new opportunity with TLR is the one that will allow me to use all of my skill sets, which is very exciting.

**MT: What's your biggest professional and personal accomplishment?**

**LM:** This is always a tough question because I have been very blessed throughout my career. I have worked for six CEOs, met every U.S. president since Ronald Reagan, and have worked with a lot of people along the way. My job at American Express allowed me to work with policymakers around the world, and I always returned home knowing that, even in our most challenging times, the United States is the best country in the world.

If pressed, I think I would have to say I am very proud of the time I spent writing a career column for first-generation professionals. I received a lot of feedback from people who said my guidance changed their lives and the lives of their families, which is a huge pride point for me. Knowledge is definitely meant to be shared.

**MT: Where did you grow up?**

**LM:** I like to say that my academic career has kept track with my professional advancement. I wanted to work on Wall Street, and the economics degree got me there. While at American Express, I wanted to be the lead representative for the company in the House, Senate and the White House, which meant I needed to be able to keep pace with the best lawyers in Washington from the banking agencies, Treasury Department, State Department and the Federal Reserve Board. Then when I was working in the public affairs sector, the Georgetown degree [in communications and technology] was a natural fit with the rise of social media and the impact technology has on our lives. I’d like to think this new opportunity with TLR is the one that will allow me to use all of my skill sets, which is very exciting.

**MT: What great memories! Ok, what's your favorite restaurant in Houston?**

**LM:** Picking a favorite restaurant in Houston is impossible! There is so much great food and the new crop of young chefs and owner-operators is representing Houston and Texas so well. I fell in love with Brennan’s when I first moved to Houston, and it has never fallen out of the rotation. For lunch, I have always liked Ibiza. B+B Butchers on Washington is a recent favorite and has never come up short. I also like the smaller, specialty places, like Wing Quarter on Old Spanish Trail, or Café Argentina. Grace’s on Kirby is my new top choice.

**MT: When you're in Austin, do you prefer Mexican food or BBQ?**

**LM:** This will sound terrible, but when I’m in Austin, I am usually eating within a few blocks of the Capitol, if not in the cafeteria! The few times I have been able to venture out, it’s been for BBQ.

**MT: What's your favorite place to vacation?**

**LM:** My dad’s family is from Barbados, so when I have enough time, I like to go there. But frankly, there are so many beautiful places in the Caribbean. I love that part of the world. My mother’s family is from Germany, so I also like to spend time in Berlin and Hamburg. When I ran international government affairs for American Express, I was lucky enough to spend time in London and Buenos Aires, two fantastic cities. I also absolutely loved Sydney, Australia, when I visited there.

**MT: Most importantly... are you a dog person or a cat person?**

**LM:** I am a dog lover—hands down.
The explosion of unnecessary lawsuits against insurance companies following hail and wind events appears to have abated, thanks to House Bill 1774 passed in the 2017 Legislative Session.

As we have reported previously in *The Advocate*, TLR counted the number of property and casualty insurance lawsuits filed in Texas against private insurers from Jan. 1, 2006, to the present. TLR’s data showed that in the five and a half years from Jan. 1, 2012, through Aug. 31, 2017, more than 40,000 of these lawsuits were filed throughout Texas—an average of almost 600 new lawsuits per month. Compare that to the six years before 2012, when fewer than 4,500 of these lawsuits were filed in Texas, an average of only 62 new lawsuits per month.

Our recent data shows that weather-related lawsuit filing spiked in August 2017, the month before HB 1774 took effect, as storm-chasing lawyers dumped their inventory of lawsuits into the court system. They filed 1,553 new weather-related lawsuits in that single month. Since then, however, the number of lawsuits filed each month has almost returned to historic levels prior to the start of this abuse. In the four months since HB 1774 took effect, an average of only 85 new weather-related lawsuits have been filed each month.

While we hope this positive trend will continue, it appears that some of the storm-chasing lawyers are not ready to give up their lucrative practice.

Within hours after Hurricane Harvey made landfall on Aug. 25, 2017, storm-chasing lawyers began soliciting for business. (See sidebar on page 5.) Others have been holding “town hall meetings” throughout storm-affected areas to recruit clients. Some lawyers began filing lawsuits against insurance companies as soon as 30 days after the storm made landfall, alleging that the insurance companies had failed to fully investigate and promptly pay the claims. These lawyers simply ignored the requirement that a pre-suit demand be sent to the insurance company at least 60 days before a lawsuit is filed.

A few of the storm-chasing lawyers appear to be trying to avoid the new law by using a dual demand scheme. In one case, a lawyer sent two demand letters on the same day for the same alleged damage to the same property. The first letter demanded exactly two times more than the second. In another instance, the insurance company received a letter from a storm-chasing lawyer and immediately paid the full amount demanded in the letter. The homeowner’s attorney responded to the payment by calling the insurance company to say that a lawsuit would be filed if the company didn’t send an additional $15,000 because...
the first demand, he said, was intentionally too low. It’s unclear how these dual demand schemes are supposed to work in light of HB 1774, but we assume the storm-chasing lawyers think there is a strategic advantage in making two different demands related to the same alleged property damage. We’ll keep watching as this develops.

Lawyers are not the only bad actors when it comes to taking advantage of people who have suffered storm-related property damage.

Texas law allows a licensed public insurance adjuster (PA) to help a policyholder negotiate an insurance claim. By law, the PA is entitled to charge the policyholder up to 10 percent of the policyholder’s recovery. Nothing in Texas law prevents these PAs from going door to door to solicit clients, and many of them have used that authority to solicit cases for storm-chasing lawyers.

Since the Legislature adjourned in May, we have learned more details about the activities of one of the more notorious public adjusters. Sergio de la Canal, operating as Correct Claim Public Adjusters LLC, was one of the most active client-recruiting PAs in Texas. He recruited at least 1,500 homeowner insurance clients, and as far as we can tell, referred them all to storm-chasing lawyers.

Correct Claims filed for bankruptcy in 2017, and documents filed with the bankruptcy court show that de la Canal and his company had a secret side deal that may have earned him more than $1.7 million. In a nutshell, de la Canal would hire an “estimator” and pay him $350 to prepare a written damage report for each homeowner. Then, the storm-chasing lawyer to whom de la Canal had referred the client would deduct $1,500 from the homeowner’s recovery to “reimburse” this $350 expense. In other words, de la Canal and the lawyer were charging the homeowner $1,500 for something that actually cost $350, thus generating an unethical $1,150 “profit” for de la Canal and the lawyer.

We believe this kind of misconduct has been rampant since at least 2012. Fortunately, the Texas Department of Insurance (TDI) has a fraud unit that is actively investigating this issue. After an investigation by the Fraud Unit in June 2017, storm-chasing lawyer Kent Livesay was indicted by a Tarrant County grand jury for unlawfully soliciting clients following a 2014 hailstorm. At the time of his indictment, Livesay was serving a one-year suspension of his license to practice law, which was also related to misconduct in regard to representation of clients in weather-related lawsuits.

Storm-Chasing Lawyers Showed their True Colors in the Face of the Storm

By Lucy Nashed, TLR Communications Director

While Hurricane Harvey’s devastating rains pummeled Houston and Texans were being rescued from the rising flood waters, plaintiff lawyers began stirring a storm of their own.

Before it had even stopped raining, and before we even knew the full impact of Hurricane Harvey’s path of destruction on the Gulf Coast, storm-chasing lawyers began a campaign of misinformation, frightening already-distressed property owners about the effects of House Bill 1774 on their hurricane- and flood-related insurance claims.

These posts charged that any insurance claim made after September 1 would be useless. They also deceptively did not mention that House Bill 1774 has nothing to do with coverage through FEMA’s National Flood Insurance Program, which is where the bulk of claims related to hurricane flooding would go.

As Winston Churchill said, “A lie gets halfway around the world before the truth has a chance to put its pants on.” The trial lawyers’ lies about insurance coverage for damage done by Hurricane Harvey were no different.

Using social media as their megaphone at a time when Texans were looking to platforms like Facebook as sources for news and updates about friends and family, plaintiff attorneys planted a seed of misinformation that quickly spread across the state.

Then, not content to simply stoke panic on the internet, storm-chasing lawyers took to the airwaves on TV and radio, and even set up solicitation tables at one of the largest emergency shelters in Houston, convincing people that their property insurance claims would be jeopardized because of House Bill 1774.

Many members of the Legislature, along with the governor, attorney general and Texas Department of Insurance, issued statements to correct the misleading information, but there is no doubt that many thousands of Texans were unnecessarily frightened by the plaintiff bar’s cynical attempt to undermine HB 1774 and the legislators who stood up to storm-chasing lawyers.

This misinformation campaign was fake news at its foulest. And it’s just one reason TLR has worked for nearly 25 years to shut down unscrupulous attorneys’ attempts to profit off the misfortune of others.
We hear about “fake news” a lot, but fake lawsuits are a real and growing problem.

Fake lawsuits are usually the descendants of the vaunted, but illusory, consumer victory over the tobacco companies. (See sidebar on page 7.) The dream of billion-dollar legal fees endlessly inspires lawyers to seize on controversial events to crank up “the next tobacco litigation.” The usual motive is to engulf another industry in flames to generate the hoped-for pot of gold at the end of the lawsuit abuse rainbow, typically using government-sponsored litigation as the opening wedge.

The most prominent current example of fake litigation was filed in January 2018 by New York City, claiming that ExxonMobil and four other major energy companies should be held liable for worldwide climate change. New York’s filing follows suits by a dozen California cities and counties, aided by highly public “investigations” by Democratic attorneys general in New York, Massachusetts and 13 other states that were unveiled with great fanfare in March 2016 under the approving eye of former Vice President Al Gore.

In the cases filed so far, the plaintiffs allege that oil and gas companies behaved just like the tobacco companies and should be held accountable for a percentage of the consequences of worldwide climate change. New York City claims energy companies should be held responsible “for over 11 percent” of the world’s industrial greenhouse gases produced “since the dawn of the Industrial Revolution.” The climate change-related injuries alleged by the city included more frequent and more intense heat waves, storms, extreme precipitation and sea level rise.

These claimants adopted the tobacco script, changing the names but not the tunes: this time, it is the oil companies who actually knew their products were consigning the planet to climatic doom, but didn’t care because their profits were more important than the fate of the planet. And so, these claimants say, the energy companies suppressed the truth and even promoted false scientific evidence in its place.

Remedies? According to New York Mayor Bill de Blasio, the energy defendants should pay for the consequences of climate change, including such things as the $19 billion in damage caused by Hurricane Sandy, and for countering sea level rise by building a seawall around New York City.

What is hard to see is how these claimants plan to show that the leaders of these companies were not free—and are not now free, for that matter—to express whatever climate change view they choose. If these companies were wrong in their judgments, who says they had no right to be wrong? Apparently, New York Attorney General Eric Schneiderman—quarterback of the fake litigation effort—thinks ExxonMobil and others do not enjoy the right to free speech and must conform to the latest fashions in climate change opinion.

Similar difficulties will burden the effort to show that energy companies are culpable for lawfully producing essential industrial and consumer products that are also critical to national security. Uniquely difficult will be showing that these companies accounted for 11 percent of worldwide greenhouse gases “since the dawn of the Industrial Revolution,” especially considering none of them were in existence at the time.

Additionally, if the current logic holds, shouldn’t all parties to energy production and use—not just five producers—be hauled into court? Consumers demand low-cost gasoline, diesel and fuel for home heating systems. Electric power production contributes enormous quantities of CO2 from coal and natural gas plants. What about airlines and ocean shipping companies? Factory owners and farmers? They all generate greenhouse gases. What about the thousands of potential energy culprits in Latin America, Europe, Africa, the Middle East, Russia and Asia? Shouldn’t there be a plan to haul the People’s Republic of China—second largest polluter in the world—into the Southern District of New York?

The cases filed so far and the “investigations” are “fake”—not because the issues are not worth talking about. They are fake because climate change is not a question any U.S. court is empowered to decide. Other government bodies have that jurisdiction.

Only time will tell how these cases will play out, but every sign indicates that the plaintiffs have launched an expensive court battle armed with exceedingly vulnerable claims. However, one thing is certain: so long as the dream of multi-billion-dollar legal fees lives, fake lawsuits will be filed.


The Supreme Court of Texas Takes on Access to Justice

By Lisa Bowlin Hobbs, TLR Outside Counsel

“Justice only for those who can afford it is neither justice for all nor justice at all. The rule of law, so revered in this country, has no integrity if its promises and protections extend only to the well-to-do.”

CHIEF JUSTICE NATHAN L. HECHT
2017 STATE OF THE JUDICIARY ADDRESS

Texas’ Access to Justice Commission is a national model for working to ensure low-income Texans have access to the civil legal system to address critical problems like domestic violence, divorce, bankruptcy and housing disputes. The commission works to address a wide-range of issues, including limiting the court costs and filing fees that can be a barrier to obtaining justice for economically disadvantaged Texans.

But it is not just the poorest Texans who face logistical and economic restraints to accessing justice. There are many who do not qualify for assistance but who do not have the financial means to access the court system. In Chief Justice Hecht’s words, “Legal fees are also beyond the means of middle-income families and small businesses. There is a justice gap in this country: people who need legal services, lawyers who need jobs, and a market that cannot bring them together. More and more people try to represent themselves out of desperation.”

To address this, the Supreme Court of Texas formed a commission in 2015 to examine ways to help individuals and lawyers provide legal services at lower cost. The commission recommended gathering more comprehensive statistics and promoting adequate funding for technological solutions and access to law libraries to help litigants better navigate Texas’ complicated judicial system.

The Supreme Court is also working to address the rising expense of litigation in other ways. The court recently tasked the Rules Advisory Committee with reviewing discovery rules to find areas where they can be modernized to increase efficiency and lower costs. As a member of that committee, I’ve witnessed firsthand the committee’s passion for and expertise in carrying out this task.

More recently, the court formed a Civil Justice Advisory Council to study recommendations from chief justices from across the country. This includes encouraging courts to focus on matching resources to case needs based on the complexity of the case, adequate training for judges and staff, as well as “objective [and] transparent” assignment of judges, always “mindful of a judge’s experience” in each case. I will join this team of delegates at a national summit in May to assist Texas in developing a statewide action plan for civil justice reform.

TLR has long worked to make litigation less burdensome, including advocating for expedited discovery procedures to cut time and expense, and to get cases set for trial more quickly. We are pleased to support the Supreme Court of Texas’ work and know that Texas can continue to be an example of principled reforms.

Like Tobacco?

Plaintiff lawyers love to claim new cases are “like the tobacco litigation” because they know the press and the vast majority of Americans never understood why the tobacco settlement was a victory for the tobacco companies, not for Americans. With the help of plaintiff lawyers, the companies set up an elaborate smoke screen to hide the true funding source of the $200 billion plus national tobacco settlement—addicted smokers.

The addicted smoker funding was locked in through provisions that led to the creation of a state-sponsored tobacco monopoly. New, small tobacco competitors are blocked from entering the market unless they pay a special tax that raises their prices enough to make the Big Tobacco monopoly a sure thing. This locked-in monopoly guarantees profits for the tobacco companies, who actually pay nothing because they simply pass along the cost of the “settlement” to addicted smokers in the form of higher prices.

"Justice only for those who can afford it is neither justice for all nor justice at all. The rule of law, so revered in this country, has no integrity if its promises and protections extend only to the well-to-do.”

CHIEF JUSTICE NATHAN L. HECHT
2017 STATE OF THE JUDICIARY ADDRESS
I recently sent my TLR colleagues an article from the Wall Street Journal detailing how the rise of emojis—the little digital smiley faces and icons ubiquitous on our smartphones—has confounded the legal profession. We all had a chuckle, but I think Dick Trabulsi put it best when he said, “It’s a brave new world.”

Indeed, it is. Chalk it up to convenience, laziness or the rise of millennials, but the way we communicate with each other and consume information has changed drastically, even in the past five years.

Now, I can definitely promise your next Advocate won’t be written in digital hieroglyphics, but you might notice some more subtle changes in the way we communicate with you, our supporters.

Over the past several months, we undertook a massive effort to revamp TLR’s website, tortreform.com. Our old website was just that: old. We were running a 2007 website in 2018, which presented a lot of technical challenges. Not only was the decade-old platform clumsy and difficult to work with, it wasn’t adaptable to viewing on mobile devices. That’s problematic because mobile devices comprised more than 60 percent of the traffic our website received in the past year, and they are how a whopping 85 percent of adults in America consume their news.

Now, whether you visit tortreform.com on your phone, tablet, laptop or desktop computer, you’ll get the same fresh, easily navigable user experience.

Further, at nearly 25 years young, TLR has amassed quite a body of work, enacting legislation as diverse as class action reform to asbestos litigation reform to judicial campaign finance reform. Our challenge has always been how to present the wealth of resources associated with those reforms in a way that is both organized and easily digestible.

The new tortreform.com features a dedicated landing page focused on broad areas of reform, and it details the problems that existed prior to tort reform, the steps we took to address those challenges and how we have built on those reforms to create a fairer and more balanced legal system. Within those pages you’ll also find a variety of supporting information—including news clips and TLR press releases and special reports—to provide additional context and information. Our hope is that whether you’re new to TLR or have been around since the days of Gov. George W. Bush, these pages will serve as a comprehensive resource on the history of tort reform in Texas. And as we continue to tackle future lawsuit abuses, we’ll have the ability to create dedicated pages to keep you informed about the legislative process.

You’ll also notice that the new tortreform.com is full of richer digital content, including videos, photos and infographics. Again, in an effort to evolve our communications to keep up with the latest trends, we’ll be using more of this type of multimedia content on our website and social media channels (Facebook and Twitter). We are also excited to start featuring a blog in the coming weeks, which will give us an opportunity to talk about everything from tort reform issues to interesting news articles to the latest books we’re reading.

In addition to this content, the new tortreform.com will remain your one-stop-shop for all of our special reports, back issues of The Advocate and even an archive of amicus briefs we have filed over the years. The site also features the same easy-to-use donation platform for those of you who contribute financially to make TLR’s critical work possible.

Beyond the new website, in the coming weeks you’ll also notice a new and improved Weekly Clips Email format that helps present the latest news about civil justice issues in Texas and around the nation in a more engaging and compelling way. Soon, we’ll also give The Advocate a face lift, including offering a digital version of The Advocate for those who prefer receiving their issue via email rather than in their mailbox.

We’ll continue working to provide you with the information you need about lawsuit reform in Texas. In the meantime, we’d love to get your thoughts on the new website or any of our upcoming changes. Feel free to email your feedback to tlr@tortreform.com.

If you haven’t already, please visit the new tortreform.com and take a look around. You won’t find any emojis, but I hope you’ll find something new about how lawsuit reform has helped build the Texas Miracle, about the tremendous work TLR has accomplished over the past 25 years, and about how we’re working to keep Texas the best state in the nation to live and do business.