

The evidence is in

UnitedLex sees litigation support services explode

BY STEVE VOCKRODT | STAFF WRITER

UnitedLex Corp. kept its powder dry for years before opening an operation in the Kansas City area.

But in the three years since the legal process outsourcing company launched its litigation support services department with a new office in Overland Park, UnitedLex's growth has been explosive.

UnitedLex's operation locally was successful enough that it moved its corporate headquarters to Overland Park from Atlanta in 2010.

And growth has been such that it's moving its local operation and 250 employees from its current location at 129th and Foster streets to a 24,000-square-foot facility on the Sprint Nextel Corp. campus in Overland Park on July 18.

For UnitedLex, part of the key for its growth was slowly building the company through high-volume legal outsourcing services, such as contract management and intellectual property, until it built up enough capital reserves and interest from venture capitalists to build a pricey but profitable litigation support operation in Overland Park.

"We were founded in contracts and intellectual property and obligation management and immigration, with a plan to build litigation services globally," said David Deppe, president of UnitedLex's global litigation services.

Simply put, litigation services involves assisting with electronic discovery, document review and processing, and data forensics for corporate and law firm clients that anticipate or are actively involved in lawsuits or other legal actions.



Dave Kaup | KCBJ

David Deppe, president of UnitedLex Corp.'s global litigation services, will lead the company's 250 local employees in their spacious new quarters on the Sprint Nextel Corp. campus.

The range of services includes collecting documents and other forms of data on a company's behalf when it anticipates litigation; having attorneys review documents to mine potential evidence; and testifying about the authenticity of documents produced in a court case.

The technology and human resources

needed by UnitedLex to craft a big litigation support effort are high-cost. Deppe described the investment as "millions and millions of dollars."

It's a service that has caught on with local law firm Spencer Fane Britt & Browne LLP.

Doug Weems, a litigator with the firm,

EVIDENCE: Next target is law firms

said he used UnitedLex on an occasion where a client had extensive volumes of documents that needed to be collected and another one in which a computer required forensic examination.

“We could do the collection, but I prefer to have somebody independent go and make the collection,” Weems said. “That way, they can testify later if the need arises.”

Weems said that although several other companies are in UnitedLex’s industry, he did not know of another one locally that shared UnitedLex’s depth.

UnitedLex maintains its work in intellectual property and other areas. Its IP work consists of researching the originality of a new patent — known as prior art — and drafting patents.

Outsourcing legal tasks has taken greater hold in the law firm world as an outlet to save some costs.

Mark Foster, a partner and formerly the managing partner at Stinson Morrison Hecker LLP, said Kansas City firms typically use contract attorneys when they have massive projects. Outsourcing of legal needs is typically more the province of Wall Street firms.

“Some of the major Wall Street firms are taking advantage of that alternative,” Foster said. “There’s always a worry about quality control, although generally they’re well-educated and perform well.”

Much of UnitedLex’s litigation support services staff in Overland Park is comprised of former law firm lawyers.

Ryan Reeves, senior vice president of U.S. operations, was formerly at Shook Hardy & Bacon LLP.

“The entire management team each has no less than 10 to 15 years of experience in law firms or litigation support companies,” Deppe said.

About 80 percent of UnitedLex’s client base is direct corporate clients.

For these companies, UnitedLex begins doing document management and storage typically when a client anticipates that litigation may occur.

When a court finds that companies have not properly managed their data and their documentation about an incident, the companies may face sanctions or a loss in a trial setting.

Contracting with third parties like UnitedLex for data management also allows companies and their lawyers to have UnitedLex testify in court about how their documents were managed so that clients are not in the awkward position of being challenged about their data management practices.

UnitedLex also has begun getting a recurring revenue stream by providing ongoing information technology to clients to adopt better document storage techniques.

The company also has shifted to a one-line-item billing statement that differentiates it from other legal process outsourcing firms.

Deppe said the traditional model among outsourcing firms is to list various services — a charge per gigabyte of processing, a charge for hosting documents, a separate charge to produce them.

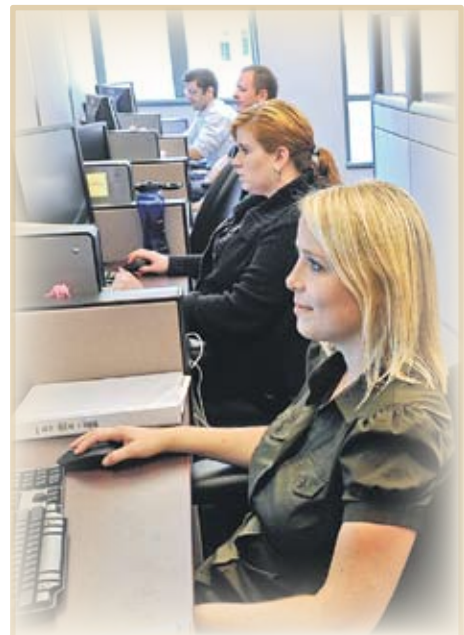
UnitedLex negotiates a price-per-document fee that it sticks to before an engagement, which makes pricing more predictable for clients, Deppe said.

“There is cost savings and reduction in risk because they have a single point of contact,” he said.

UnitedLex also began forming small teams within the company that work exclusively for one law firm client doing document work on an ongoing basis to develop another platform for recurring revenue.

“You’re essentially looking at getting all the law firm’s work,” Deppe said.

The offering, called the Litigation Knowledge Center, is new, but several law firm clients have signed on as UnitedLex attempts to add more firms to its client base.



DAVE KAUP | KCBJ

Maureen McIntosh (foreground) and other lawyers at UnitedLex review legal documents.

UNITEDLEX CORP.

Description: A legal process outsourcing firm specializing locally in litigation support services

Revenue: \$35 million to \$40 million (estimated)

Employment: 150 locally, 650 internationally

Address: 6130 Sprint Parkway, Suite 300, Overland Park, KS 66211

Telephone: 913-685-8900

Internet: www.unitedlex.com

UnitedLex has had 100 percent revenue growth year to year since 2008.

Deppe would not disclose revenue, but published reports in trade publications in 2010 predicted \$35 million to \$40 million in 2011.

It has operations in India — mostly for patent work — and Tel Aviv, Israel. It plans new offices in Chicago, New York and Cincinnati in the coming years.

Deppe said he expects UnitedLex’s employee ranks in Overland Park to hit 400 people within the next two years.