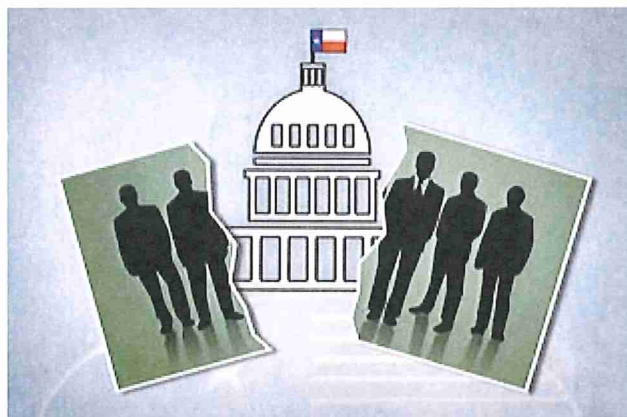


# THE TEXAS TRIBUNE

## Lawsuit Between Rival Lobby Shops Shakes Profession

by [Morgan Smith](#) | 7/6/2010 | [10 Comments](#)

**KEYWORDS:** [Focused Advocacy](#), [HillCo](#), [Babe Schwartz](#), [Bill Miller](#), [Brandon Aghamalian](#), [Curt Seidlits](#), [Neal "Buddy" Jones](#), [Snapper Carr](#), [Tom Craddick](#), [Texas Ethics Commission](#), [Lobbying](#), [Texas Court Cases](#)



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### REFERENCE MATERIAL

Snapper Carr's Answer in HillCo Suit

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Brandon Aghamalian's Answer in HillCo Suit

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Focused Advocacy's Answer in HillCo suit

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HillCo Lobby Lawsuit Complaint

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In a downtown Austin office tower three blocks away from the Capitol, the ninth floor has declared war on the 12th floor.

The building at 823 Congress Avenue houses both [HillCo Partners](#) and [Focused Advocacy](#), the brawling lobby shops that clashed earlier this month when the former [filed a suit](#) charging that two of its former employees — [Brandon Aghamalian](#) and [Snapper Carr](#) — conspired to steal HillCo clients when they left to join the latter. The [suit](#) provides a rare public glimpse into the ends-over-means world of the Texas lobby and has generated intense interest within the insular community. Some insiders view the tussle as the crossing of a line, raising the specter of open combat in an industry that prefers to settle its fights behind closed doors. But as its allegations make plain, Hillco believes that two rogue employees are the ones who crossed the line, turning competition for clients into espionage and biting down hard on the hand that fed them. (See their responses, filed after this story originally ran, [here](#).)

The buzz over the suit stems partly from players involved. With 13 partners, HillCo, which rose to power during the heyday of Speaker [Tom Craddick](#)'s reign over the Texas House, strikes a muscular profile in a town where two- and three-person operations are the norm. Its founders — former lawmaker and prosecutor [Neal "Buddy" Jones](#) and political consultant [Bill Miller](#) — are regarded as senior statesmen of the lobby. [Focused Advocacy](#) is run by [Curt Seidlits](#), who was in the Texas House from 1986 to 1996 and, like Jones, happens to be a former prosecutor who holds law and undergraduate degrees from Baylor University.

"Buddy's the kind of guy who would have really known what was going on in his own shop if he had the time to attend to it," says Babe Schwartz, the former Galveston state senator who remains a fixture at the Capitol as a lobbyist. "So something went awry that Buddy didn't have a handle on. But that's unusual ... And it won't happen very often to somebody as smart as Buddy."

HillCo accuses Aghamalian and Carr of going to remarkable lengths to pilfer clients leading up to the time they left the firm this January. Specifically, it alleges that, while “masquerading as loyal HillCo employees” — and while in secret communication with Seidlits over a six-month period — they delayed renewal agreements and furtively changed existing HillCo contracts to allow clients to terminate the firm “immediately” if either Aghamalian or Carr couldn’t fulfill the terms, ensuring clients could follow them when the two men made their exit.

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They also allegedly supplied Seidlits with confidential information about HillCo practices and traveled on the firm’s dime to meetings with clients where they made “false and disparaging statements” about HillCo’s future ability to meet their needs. One e-mail the lawsuit cites, from Carr to Focused Advocacy — sent while he worked for HillCo — included an attachment of allegedly proprietary HillCo files, along with the message: “Here you go. Leave me alone. Snap.” That and other documents prove “Focused Advocacy’s principals were insisting that these materials be stolen,” the suit charges.

Once they left the firm, the complaint says, the pair assured clients that their separation from HillCo was “seamless and amicable.” According to HillCo’s court papers, all of this adds up to a “systematic pattern of deception,” violates numerous contractual agreements and breaches the fiduciary duty both owed to the firm — an accusation that, if proven, could result in disbarment for Carr, who served as the firm’s general counsel.

Mike Slack, the lawyer representing the two men, declined to respond to the charges, noting that they had yet to formally answer the complaint in court. That answer will come sometime this month, though the possibility exists that the two parties may reach a settlement before then. HillCo’s lawyer Hamp Skelton also declined comment, saying, “The pleadings speak for themselves.”

The complaint refers in specific to 11 clients only by numbers, but records of Aghamalian and Carr’s clients filed with the [Texas Ethics Commission](#) give a clue to their identities. They are largely cities in the Dallas-Fort Worth and Houston areas, which compete for lucrative transportation funding. At the [end of 2009](#), Aghamalian and Carr had 36 mutual clients. [Current records](#) show eight of those remain with the two men at Focused Advocacy: the cities of Burleson, Corpus Christi, Denton, Grand Prairie, Irving and Sugar Land; the Texas Motion Picture Alliance; and the Texas Association of Orthotists and Prosthetists.

What most rattles insiders about the suit, however, is not so much the allegations — quiet solicitation of each other’s business is common in the lobby — but that it represents the possibility that the ruthless competition within the profession has finally reached a melting point. That doesn’t necessarily mean they want to talk about it publicly. Calls for comment were most often greeted first with silence, then an awkward chuckle, then: “Can we go off the record?”

Almost a dozen lobbyists contacted for this article, four of whom agreed to be quoted without their names, responded that way. The overwhelming reason they gave: friends on both sides of the litigation, whom they’d just as soon not interpret their comments the wrong way. Nobody wants to

back the wrong team in a business where personal alliances — and discretion — are everything. “This is a family feud, and the rest of us, we just stay out of it,” says one member of the lobby.

“Lobbying’s a pretty low-key, quiet, man-on-man, woman-on-woman relationship where you do what you are hired to do because you are getting paid handsomely to do it,” explains Schwartz, the only lobbyist willing to speak on the record. “It’s most unusual for disputes between people who are making excellent money for little work but high performance to complain about it, and very rare for them to complain to the extent that it gets into a lawsuit.”

So the lawsuit is top of mind for those who represent special interests in Austin. Nobody in the community can remember an analogous proceeding, and some fear that once the door to the courtroom is opened, it could mean regular legal skirmishing in a business where a handshake can still get you fairly far.

“The lobby community has been pretty good about policing itself internally and not filing complaints or lawsuits and things like that,” says one old-timer. “My concern is that, if that dam ever breaks, we’ll end up with spurious complaints of the kind that candidates and officeholders have seen.”

A prominent former member of the Legislature who now lobbies agrees that the suit represents a departure from the way the industry has handled disputes in the past: “The path that people have taken before is, ‘Well, he got me. I’ll get him someday when he’s not looking,’ rather than filing lawsuits. It’s probably going to create a different atmosphere around the lobby, in how individuals act or react.”

He believes, too, that the persistence of such vigorous competition for clients meant an “explosion was waiting to happen.” “Someone was going to get real upset and take somebody on one way or the other for stealing their clients,” he says. As a reason for the fierce jockeying, he cites the shift in the past two decades from association-based lobbying — when entities would represent, for example, all railroad companies or all chemical companies — to today’s practice in which “hired gun” lobbyists work essentially as independent contractors for a variety of clients.

Coupled with the insecurity that rivalry brings, sources also cited the growing number of bigger firms like HillCo, where a star like Buddy Jones may attract new clients only to pass them off to other associates to handle. An environment like that gives cover for more maneuvering from ambitious subordinates, than say, a two-person shop, and can foster more loyalty to individual partners rather than the firm as a whole.

Schwartz expects the suit’s notoriety to prompt more caution in the way deals are done in the lobby. Firms and their clients “may require more written contracts, they may be more specific, they may handle their responsibilities and financial matters and response to things differently.”

The feeling among Jones’ peers, ever self-conscious about the profession’s image problem, is that the glare of the courtroom won’t do anybody any good. The lobby “isn’t looked on really favorably,” says another veteran lobbyist. “Any type of spotlight on our industry probably is not good.”

He adds: “The lobby is a pretty collegial group, and anything that breaks up the collegiality just kind

of saddens everybody.”

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