

The real Diehl: appearances can be deceiving, opponents of Charlotte's maverick lawyer to the rich and famous have discovered.

By Irwin Speizer.

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Bill Diehl leans way, way, waaaaay back, tilting onto the rear casters of his office chair as he gazes up at a ceiling tile, pudgy hands folded upon ample paunch, trademark blond tresses cascading onto shoulders, shirt and chinos rumpled. Charlotte's maverick **lawyer** to the rich and famous is discussing some fine point of jurisprudence, but what's going through your mind is: If that chair topples, will this overstuffed, unkempt slob ever get himself back up?

If you're his client, though, you make yourself listen. And you obey when he tells you to keep your mouth shut when you leave his office. After all, you're paying him \$400 an hour, plus a \$5,000 to \$50,000 signing bonus to take your case. Clients have ranged from mystics - Bhagwan Shree Rajneesh, the Indian guru with a taste for Rolls Royces who ran afoul of the feds - to moguls such as Bruton Smith, North Carolina's own race-track rajah.

His hottest case at the moment is defending Charlotte Hornets owner George Shinn, accused last year of forcing a woman to perform oral sex. Prosecutors dropped the case without filing charges, but the woman sued, resurrecting the allegations in the civil action.

Diehl, who bears a certain resemblance to a bleach-blonde Sam Kinison, responded as he is wont to do: He filed a countersuit that claims she's a liar, a tart, an exhibitionist and an extortionist. He put a photo of her in a thong bikini in the court file. "They met, she gave him a blow job, she left," he says, summing up his case. "Mr. Shinn didn't get charged because he's not guilty of any crime. This man didn't rape this woman."

That bent for bare-knuckled brawling is one reason Bill Diehl is one of North Carolina's most sought-after trial lawyers. And, billing more than \$1 million a year, among its most expensive. He takes both criminal and civil cases. But divorces, at this point, comprise about half his practice. For their money, his clients get a 53-year-old Tortinator, a courtroom killing machine willing to do whatever it takes to waste anyone who gets in his way.

"It doesn't bother me to aggressively attack in a courtroom, even if it means making somebody look bad or be uncomfortable," he admits. "That doesn't cause me lost sleep. I have a sharp tongue. I don't believe in nonsense, and I don't believe in mincing words."

"I tell people he is, without question, the best trial **lawyer** in North Carolina," says Charlotte family-law specialist Richard Stephens, who has matched wits with Diehl for more than 20 years.

His cases are often raucous affairs. During Bruton Smith's divorce settlement, Diehl claimed the future ex deserved nothing. She was an adulteress, he said, with a Colorado ski instructor "boy toy." The judge disagreed, ordering Smith to pay nearly \$21 million alimony. Still, Smith calls Diehl "one of the most brilliant lawyers I have ever met."

When he represented the husband of ex-Mecklenburg County Commissioner Edna Chirico, he argued she shouldn't get custody of their three children because she had had an affair in then read her love letters aloud in open court. Chirico, who lost custody, didn't run for reelection in 1994. When she attempted a comeback this year, her opponent dredged up the infidelity charge Diehl had aired. She lost.

"Bill Diehl," she says, "doesn't care how he goes about winning his cases."

In Greensboro earlier this year, he baited **lawyer** Carolyn Woodruff, calling her a liar during a recess. When the judge returned, she stood up to complain. Diehl cut in: He had not called her a liar, but a "goddamn liar." And, he told the judge, he did it not once but twice.

"What he does," Woodruff says, "he gets publicity out of acting like this. People think it is good lawyering. It's insecurity and disrespect. He gives good lawyers a bad name."

Those who know him outside the courthouse describe another Bill Diehl, a charming, witty raconteur and affable dinner companion who always picks up the check. "If you read his clippings, you would say he is kind of like a junkyard dog: Get close to him and he'll bite you," says Rick Hendrick, the Charlotte auto dealer and NASCAR racing-team owner Diehl represents in civil cases that grew out of a bribery investigation. "But inside, he has a big heart. He is sensitive. He can play either role."

"It's a little like the Incredible Hulk emerging," says Pam Simon, a Statesville **lawyer** who specializes in family law. "Somebody once said to me, 'Bill has the most amazing facility, that is, like, one minute you are at a high-school reunion with your best buddy, and the next minute he is jumping down your throat.'"

"People say I talk loud," Diehl admits. "I have been told that, I guess, my whole life. I scream sometimes, that's the word they use. It must be true. I don't think I even know it." He came by it naturally.

Born Oct. 4, 1944, in Norfolk, William Kase Diehl Jr. was the oldest of six children. "We were a typical middle-class family in Virginia," he says. His mother was a devout Catholic

who took the children to Mass each Sunday. His father was the sports editor of the Norfolk Ledger-Dispatch, a man who never went to church.

Growing up with Diehl's father was a lot like living through Diehl's court cases. "We were constantly in conflict. There was a lot of competitiveness, a lot of arguing my whole life," he recalls. "My dad was in the sports business, and I was interested in sports, and that was all about competition." With so many siblings, he had to compete for attention, too. "Winning became a big issue, even in games with your father. Beating him became a big issue.

"I didn't really feel close to him in a sense. I felt very close to my mom and still do. Because he was in the newspaper business, on the radio, he was high-profile, he was articulate, he was gruff, he was loud, contentious, opinionated.

"For better or worse, I, as the acorn, didn't fall too far from that tree."

One way he finally found to best his father, who died in 1993, was with money. "He was never significantly successful in a financial way," Diehl says. "I think he found it rewarding that I had done what he hadn't done - achieve a level of financial success."

In 1959, his dad bought WISP radio in Kinston and turned it into a top-40 station. Transferring to Grainger High, Diehl played football, baseball and wrestled. "I was short, fat and slow," he recalls, "but I did it all." He was class vice president. He had an A-minus average. And he was on the radio, working as a disc jockey at his dad's station. "Kinston was a great place to grow up," he says. "I was pretty well known. I was pretty well thought of in high school. I go back faithfully to my high-school reunions."

He went through UNC Chapel Hill with no idea what he wanted to do with his life. He always had a part-time job, first waiting tables in a cafeteria, then working in a men's clothing store. He spent his summers as a DJ, sharpening his speaking skills. He enjoyed Carolina, where he says he maintained a low-B average, smoked some marijuana and liked it, and met his future wife, Catherine, at a fraternity dance. But unlike high school, he didn't distinguish himself. "It was the proverbial big-fish-small-pond, small-fish-big-pond," he says.

Graduating in 1966 with a bachelor's in political science, he had one job offer: from a Clothing store. He considered a career in haberdashery, but Catherine encouraged him to aim higher. There was also Vietnam to think about. Grad school was a good way to beat the draft.

"Law school seemed like a natural thing. I could talk, I could write pretty well." He slogged through three years at the University of Virginia, again working part time in a clothing store. He graduated in 1969 with what he describes as a B- to C+ average.

The best job he could find was with a small Charlotte firm, which offered him \$650 a month, less than his wife was making as a schoolteacher. He became the fifth **lawyer** in

Herbert, James & Williams. Pender McElroy, hired about the same time, was the sixth. Now James, McElroy & Diehl, the firm has 24 lawyers.

Hired to handle minor contracts and other journeyman chores, Diehl arrived in Charlotte at an opportune time. The state was consolidating all lower courts into the District Court system. The transition would take about a year, but a lot of prosecutors, fretting over whether they would still have jobs, jumped ship. That forced the county to hire lawyers in private practice to fill in. Diehl, who always had a part-time job in school, persuaded the firm's partners to let him spend his mornings prosecuting minor crimes.

To review his cases - assaults, trespassing, a few traffic offenses - he got up at 5:30 each morning. Arriving in court at 8:30, he raced through his docket. He made \$45 a day, more than the law firm paid him, and he liked the pace and tangling with other lawyers. It taught him to prepare a case for trial, taught him who the toughest judges and the smartest lawyers were. Most important, it taught him who he was and what he wanted.

"It made me certain that what I wanted to be was a trial lawyer," he says. "It was the first time it crystallized. I liked the competition. I liked the work ethic of putting in effort and seeing the results. I like to win, and I won more than I lost."

In 1972, with consolidation completed, Diehl's courtroom gig ended, and he went back to the firm full time, but with an edge most young lawyers lack. "I was ready to go," he says. He let his hair grow, though he claims he still can't explain why. "I didn't have long hair in high school. I didn't have it when I came here. But somewhere along the line, I quit cutting my hair. And it just kind of stuck. It sort of became my trademark. It was a little different, and I enjoyed being different."

Maybe he liked the notoriety. Maybe he figured grabbing jurors' attention was the first step in winning them over. Regardless, he began making a conscious effort not to look or act like other lawyers. Up to then, his firm had not done litigation work. Diehl started taking those cases and promoting himself as a trial lawyer.

He built his practice around business-related lawsuits. Since he was in Charlotte, many of them involved the big banks, First Union Corp. and what's now NationsBank Corp. By the late '70s, First Union had his firm on retainer. "I sued them for years, until they decided that it was better to join me than fight me." He still takes cases against NationsBank. "I've liked suing them," he says, then adds almost wistfully, "I've often wondered why they haven't asked me to be their lawyer."

Business suits brought him a referral on a divorce case, which led to another one, then another. He hadn't set out to practice this type of law, but he applied techniques and skills he had learned as a prosecutor and quickly gained a reputation as an expert. "I started approaching family law the way other lawyers handled other cases. A lot of lawyers use a seat-of-the-pants approach to family law. I was out-lawyering people by working hard. It got good results. And from that, I got nondomestic litigation cases."

On Sept. 11, 1974, Eastern Airlines Flight 212 crashed three miles south of Charlotte's airport, killing 72. Ten survived, including Richard Arnold, an IBM employee from Charleston, S.C. When he decided to sue, somebody he knew in Washington knew somebody in Charlotte who recommended Diehl's firm. Since he handled litigation, he got the case. In 1979, it won Arnold \$5 million, the largest award to a plane-crash survivor up to that time.

"That was a big splash," Diehl says. "By 1979, I was a rising litigation star. It tends to feed on itself. Somebody says you're the best **lawyer** in Charlotte, so somebody else calls you and hires you." That year Charlotte magazine ran a piece on the city's hottest lawyers. The cover shows three guys in Superman costumes toting briefcases, soaring overhead. The shaggy-haired one on the left is Bill Diehl. He was 34.

Over the next two decades, the client list grew, as did the folklore about his quirky personality. He went from being a brash young **lawyer** to a skilled trial attorney, albeit one prone to screaming outbursts. Rich men with messy divorces liked his take-no-prisoners approach. By the early '80s, three-fourths of his cases were divorces. But his prowess extended beyond the realm of hot sheets and lost love.

In Charlotte, U.S. Attorney Mark Calloway, who worked at Diehl's firm until 1994, marvels at how deftly he handles jurors. "Because of his unconventional appearance, juries initially eye him with suspicion. Then he wins them over. He wins them over in a big way."

While his opponent usually looks like a poster boy for high-priced, high-powered legal firepower, Diehl comes across as rumpled, harried, just plain out of it. "I don't take myself too seriously," he explains. "Never have, never will. I am always the one to make fun of myself first. It puts people at ease, let's them know I'm not overwhelmed with this being-a-**lawyer** business." Once he's got their attention, he spins his cases deftly, directly and simply, devoid of legalese.

But what makes him so effective, Calloway says, is his ability to get to the meat of the matter, analyzing complex cases quickly and accurately. "He has the capacity to outwork just about everybody," Calloway says. "You can get a case ready for Bill, sit him down over a couple of days, feed him the facts he needs, and he will know more than you."

"I'm one of those who derive their success from effort rather than from being an intellectual genius," Diehl says. "I'm not a genius. I am very skilled in practical ways. I can talk. I can think on my feet. Some of the innately brilliant ones don't know how to talk." After a pause, he adds: "I'm not stupid, either."

One federal case Calloway worked on with Diehl involved a Hickory businessman charged with setting a fire to collect insurance. The government's case hinged on a financial analysis that allegedly showed he had started a business to burn it down. Diehl hired accountants to prep him, and by the time the case came to trial he was able to put the star witness on the stand and lead him through the analysis, page by page, line by line. By the end of the all-day ordeal, Diehl had him admitting that, under generally accepted accounting procedures,

the defense explanation was plausible - though opposite of what he had concluded in his report. Calloway has never seen anything quite so crushing: "He destroyed the government's expert witness." Diehl didn't even have to put on a defense.

It doesn't always work that well. Another arson case in 1988 ended with his client sent to prison. The closing argument was so lame nobody could swallow it. Jimmy Kaperonis, a Charlotte real-estate broker and one-time candidate for mayor, plotted to burn down a rental property he owned. It was a sting, and the people he was plotting with were informants.

He never intended to burn down anything, Diehl told jurors. Kaperonis was just "playing along," trying to find out more about the informants, who he thought were involved in some thefts. Such an explanation, Diehl offered, was too knuckle-headed to be false. "If you wanted to make up a story, this is not the one you'd make up," he said. "This is so bad, it's awful. ... We plead guilty to stupidity. He's not only dumb, he's stupid. But he's not a criminal." The jury convicted Kaperonis of attempted arson. The judge sentenced him to eight years after chastising him for telling such a "cock-and-bull story."

Diehl has used variations on his too-dumb-to-be-guilty argument with better results, including his defense of George Shinn. The multimillionaire brought a Charlotte woman to his Tega Cay getaway on Lake Wylie one morning last September. She later went to police, claiming he had forced her to perform oral sex. Shinn dialed Diehl. For several months, newspaper stories swirled with allegations, including one that Shinn had used Diehl as bait, luring the woman to the lake house with a promise he would get the **lawyer** to handle her divorce. (Nonsense, Diehl says.) Diehl never denied Shinn and the woman had oral sex. But he's no maser, the **lawyer** says, just another dumb guy who couldn't resist a quickie. On matters of morality, Diehl has no problem admitting human weakness. "There are no angels," he says.

Bill Diehl is certainly not one. In 1991, the state Bar reprimanded him for engaging in an extramarital affair with the wife of a client, a liaison that compromised his representation in the civil case. Diehl says he ended up telling the husband, ' who dumped him and filed the complaint. "The Bar investigated, and they decided I had a conflict of interest, that I should have told him sooner, which I actually thought was bullshit. I decided I thought I was wrong. I shouldn't have been in the situation. It wasn't worth fighting. I was better advised to take my lumps. I have never held myself out as better than you. I make mistakes like other people make mistakes."

Diehl apologized to his partners and made up with his wife. "Very painful," he says. "We were separated for about a year. But I have two great kids and a great wife. I sort of worked my way through the problems in the marriage that led to the separation and being with somebody else. I went home."

Though they're back together, his wife spends most of her time at a condo they own in Charleston while he continues to put in long hours in Charlotte. Despite his seniority, he still bills more hours than anyone else in the firm. "That's because he works more than any other **lawyer** here," his partner McElroy says. He relaxes with a glass of burgundy or by

going to a Hornets game and basks in the attention when he is recognized. Heading to Charleston on weekends - a "two-cigar drive," he calls it - he cranks up the stereo, listening to the Rolling Stones, REM, Journey, Hootie and the Blowfish.

But, mostly, what he does is hang out in his office, even on weekends when he's in the middle of a case. There's the outer office, the public place where he greets clients, a small cluttered mess, jammed with a sofa, chairs and tables, his untidy desk, overflowing bookshelves, family photos, mementos, including courtroom sketches from some of his biggest trials. On the walls, there's a pen-and-ink drawing of his high school and a red-leather sculpture of a bull's head.

It's neat compared to his working office, the inner sanctum behind a door at the back of the room. A peak inside reveals a room that looks as if it has been hit by a flash flood of paperwork. Some of the sheets scattered on the floor even have footprints on them. Diehl insists he knows where everything is.

He spends his time reading case material, writing memos, talking on the telephone, getting ready to go to court, going to court. None of it sounds glamorous, but Diehl considers it bliss. "I wake up every morning looking forward to coming to work," he says. His status means he's a target for young lawyers gunning for somebody big to make their mark against. There are some who insist his best days are behind him, that he's lost his edge, washed up as a great courtroom jousting. Then again, opposing lawyers, like a lot of people, have underestimated him and wound up regretting it.

Stephens, for one, thinks his old foe remains as formidable as ever. When he gets court papers with Bill Diehl's name on them, he says, "I know I'm in for a war."

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Hiring Bill Diehl means never having to say ... anything. At least out of court. His advice to clients in trouble? "I tell them, 'Just shut up.' The best way to deal with a bad situation is not to say anything."

Over the years, Diehl has put the muzzle on some big names in Charlotte. Here are some of the biggest:

Richard Dortch: Diehl defended televangelist Jim Bakker's top aide during the collapse of the PTL ministry. Dortch, who pleaded guilty in 1989 to conspiracy and mail and wire fraud, agreed to testify against his former boss and got eight years in prison.

Bhagwan Shree Rajneesh: The Indian mystic was arrested in 1985 at Charlotte/Douglas International Airport after a federal investigation into his Oregon commune. Officials refused to release him from jail, fearing he might flee the country. Diehl sprang him. He returned to Oregon and pleaded guilty to arranging sham marriages so disciples could remain in the United States.

Rick Hendrick: The former owner of the nation's largest private chain of car dealerships pleaded guilty last year to charges of mail fraud after being accused of bribing Honda executives to get preferential treatment. Diehl represents him in civil suits brought by other Honda dealers.

George Shinn: Diehl is defending the Charlotte Hornets owner against a woman's allegations that he forced her into oral sex at his Tega Cay home. South Carolina prosecutors declined to press charges, citing a lack of evidence. The woman filed a civil suit against Shinn, who countersued, accusing her of slander and trying to extort \$5 million.

Johnny Frank Isley: Half the syndicated-radio team of The John Boy & Billy Big Show fame, Isley was arrested in 1990 for possession of marijuana. Diehl got the charges erased in return for Isley agreeing to enter drug treatment, stay clean for six months and perform community service.

Ric Flair: Diehl has represented the flamboyant pro wrestler and health-club owner in a number of legal matters, including the charge that Flair in 1996 abetted the underage DWI of a 20-year-old woman driving his car. The charge was dismissed. Diehl is defending him in a suit by World Championship Wrestling Inc., which claims he messed up its story lines by missing matches.

Bruton Smith: Diehl has handled more than seven years of litigation following the Speedway Motorsports Inc. CEO's messy divorce in 1990. He argued that the ex-wife should get nothing because she had an affair. But Smith wound up having to pay nearly \$21 million in alimony.