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## Appeals court reverses \$7.8M unpaid legal fees verdict awarded to divorce attorney

*In reversing Hillel Chodos' fee, panel says multiplier shouldn't have been allowed*

By **Kylie Reynolds**

A state appeals court Wednesday reversed a \$7.8 million award of unpaid attorney fees to a Los Angeles lawyer, finding that a lower court should not have allowed a jury to multiply the lawyer's \$1,000 hourly rate by five.

Such a multiplier - often used to reward an attorney who assumes risk by taking on a case that furthers the public interest - did not apply to this dispute, which stemmed from a divorce, according to a lengthy published opinion by the 2nd District Court of Appeal.

"We hold that under the circumstances of this case, there was no legal or equitable justification for applying a multiplier to the lodestar amount of attorney fees found by the jury," Justice Richard Mosk wrote in the opinion. The jury award was "excessive and inequitable," he added. Justice Paul Turner and Judge Michael Mink, sitting by designation, concurred.

The court remanded the case to the trial court, requiring it to enter a new judgment on the special verdict form that awards prominent attorney Hillel Chodos \$1.8 million minus certain deductions, based on the jury's original finding that he deserved \$1,000 an hour for 1,800 hours of work.

A jury in 2013 handed the \$7.8 million award to Chodos after he scored his client a multimillion dollar settlement in her split from her husband. In a 12-0 vote, the jury inflated Chodos' hourly rate from \$1,000 to \$5,000 because of risks involved in taking the case, among other issues. Chodos did not have a written fee agreement with his client. *Chodos et al. v. Borman*, B252446 (Cal. App. 2nd Dist.).

The divorce case was complicated. There were three lawsuits that dealt with the dissolution of Navabeh and Burton Borman's marriage: two divorce actions and a so-called "Marvin" case, which relates to contracts made outside of a marriage. Chodos got Navabeh Borman a settlement valued at \$26 million in assets, including a sculpture and shared ownership of a Malibu home.

**Ronald Richards, a Beverly Hills-based attorney representing Chodos' former client, sought a reversal of the award in part because of alleged flaws with the jury instruction and verdict forms.**

But Chodos' lawyer, Philip Kaufler of Beverly Hills, said at oral argument earlier this month that the jury deemed Chodos' time in the complex case worthy of \$5,000 an hour.

The argument wasn't enough to convince the panel, which had appeared skeptical of the multiplier during oral argument. According to the opinion, any fee enhancement would be "double counting," because the case neither posed a contingent risk of loss nor required "extraordinary skill" beyond Chodos' \$1,000 hourly rate.

Additionally, the justices found that any multiplier would "reward" Chodos for violating state business and professions code sections by not instituting a written fee agreement with his client.

"To allow [an] attorney to recover more fees than he would have recovered had he complied with those statutes would violate the public policies underlying them," the opinion reads.

Questions and Comments

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### Law Practice

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#### Do consumers win when POM Wonderful sues Coca-Cola?

The short answer: yes. By **Scott L. Nelson**

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#### Appeals court reverses \$7.8M unpaid legal fees verdict awarded to divorce attorney

The 2nd District Court of Appeal wrote in a lengthy, published opinion Wednesday that a jury should not have inflated lawyer Hillel Chodos' hourly rate by five to reach the hefty judgment.

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#### Real Estate Deals

A roundup of recent real estate activity and the lawyers involved.

### Personal Injury & Torts

#### School district to shell out record \$14 million settlement in sexual abuse suit

Los Angeles law firm Taylor & Ring reached the deal this week with the Moraga School District, which agreed to pay \$7 million each to two plaintiffs alleging repeated molestation by a former science teacher.

### Litigation

#### Defense gears up in paramedic's suit against Dodgers

Upon exiting Dodger Stadium, Bryan M. Stow was yelling with his arms raised, according to testimony Wednesday from one of the first defense witnesses in a high-profile civil lawsuit on behalf of the paramedic.

#### Judge considers claims by San Francisco lawyer's lender

A superior court judge voiced skepticism Thursday that an unlicensed lender could levy high interest rates on more than \$15 million that was provided to San Francisco-based plaintiffs' lawyer Joseph M. Alioto Jr.

### Mergers & Acquisitions

#### Valeant appeals to Allergan shareholders in latest bid to trigger a deal

Valeant Pharmaceuticals took its roughly \$51 billion unsolicited buyout offer directly to Allergan's shareholders on Wednesday, the latest maneuver in what's become an increasingly complex and contentious hostile takeover bid.

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Richards said in an interview, "There's nothing more satisfying about being a lawyer than vindicating a horrible, horrible wrong that the legal system, through a runaway jury verdict sanctioned by erroneous instructions, inflicted upon one's client."

Kaufler, Chodos' attorney, could not be reached for comment.

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The 2nd District Court of Appeal on Friday seemed unconvinced that a jury should have multiplied Los Angeles lawyer Hillel Chodos' hourly rate by five for a verdict in a dispute stemming from a divorce case.

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A woman who scored a big settlement after splitting from her husband wants a do-over with one of her lawyers who nabbed \$7.8 million in attorney fees from the deal.

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#### Litigation

##### Three domestic workers sue in human trafficking lawsuit

Plaintiffs claim they were trafficked from Indonesia to labor without pay for a Los Angeles couple, according to a lawsuit filed on their behalf by attorneys from Jones Day and nonprofit Bet Tzedek Legal Services.

#### California Supreme Court

##### State high court clears up confusion over disparagement

The court has essentially closed the door on future attempts to shoehorn more claims under the seemingly broad term "disparagement." By

**Stephen L. Raucher**

#### U.S. Supreme Court

##### Best test for campaign speech is ballot box

In a recent U.S. high court ruling, Justice Thomas noted that there were two threats constituting cause for concern under an Ohio law limiting campaign speech: administrative action and criminal prosecution. By **Charles S. Daskow**

#### Law Practice

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Free speech advocate **Julie L. Kessler** on why Facebook's definition of acceptable speech has her puzzled.

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#### California Supreme Court

##### Conservative justice to retire from state Supreme Court

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