

Housing Rights Center, et al. v. Sterling, et al.**Case No. CV 03-859 DSF (Ex)****UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF CALIFORNIA***2005 U.S. Dist. LEXIS 31872***November 2, 2005, Decided****PRIOR HISTORY:** *Hous. Rights Ctr. v. Sterling, 2005 U.S. Dist. LEXIS 44769 (C.D. Cal., Mar. 2, 2005)***CASE SUMMARY:**

PROCEDURAL POSTURE: Plaintiffs filed a motion for prevailing party attorneys' fees and costs in connection with prosecuting an action against defendants for alleged housing discrimination in violation of the Civil Rights Act of 1866, *42 U.S.C.S. § 1981 et seq.*, the Fair Housing Act (FHA), and the California Fair Employment and Housing Act (FEHA).

OVERVIEW: Defendants did not dispute that fees and costs should be awarded, but instead claimed that the requested amount was unreasonable in that the rate charged was too high and the hours spent were excessive. The court utilized the lodestar method. The court also concluded that there was no reason that defendants should benefit from the pro bono nature of the representation. The court found that an award well in excess of the monetary settlement amount was reasonable because the settlement included a wide-ranging non-monetary component and public benefit. The court found that the regular hourly rate of plaintiffs' attorneys was reasonable and that, with the exception of a de minimis redundancy, the claimed hours were reasonable. The court rejected defendants' claim of duplication, finding that the number of timekeepers was substantially related to the large amount of unnecessary work created by defense counsel's scorched earth litigation tactics. The court concluded that the inclusion of expert witness fees was proper under *42 U.S.C.S. § 3613(c)(2)* of the FHA, under *Cal. Gov't Code §§ 12989.2(a), 12965(b)* of the FEHA, and under *42 U.S.C.S. § 1981 et seq.*

OUTCOME: The court granted plaintiffs' motion with few exceptions and awarded plaintiffs \$ 4,923,555.

LexisNexis(R) Headnotes

Civil Procedure > Remedies > Costs & Attorney Fees > Attorney Expenses & Fees > General Overview
Civil Procedure > Remedies > Costs & Attorney Fees > Attorney Expenses & Fees > Reasonable Fees
Civil Rights Law > Practice & Procedure > Costs & Attorney Fees > Award Calculations
 [HN1] The court should use the "lodestar method" to determine attorneys' fees.

Civil Procedure > Remedies > Costs & Attorney Fees > Attorney Expenses & Fees > General Overview
Civil Procedure > Remedies > Costs & Attorney Fees > Attorney Expenses & Fees > Reasonable Fees
Civil Rights Law > Practice & Procedure > Costs & Attorney Fees > Award Calculations
 [HN2] Aspects of a settlement that include a non-monetary component and public benefit are properly considered in determining the reasonableness of an attorney fee award.

Civil Procedure > Remedies > Costs & Attorney Fees > Costs > General Overview
Civil Procedure > Remedies > Costs & Attorney Fees > Costs > Witnesses
Civil Rights Law > Contractual Relations & Housing > General Overview
Civil Rights Law > Practice & Procedure > Costs & Attorney Fees > Award Calculations
Civil Rights Law > Contractual Relations & Housing > Fair Housing Rights > Costs & Attorney Fees
 [HN3] The Civil Rights Act of 1866, *42 U.S.C.S. § 1981 et seq.*, *42 U.S.C.S. § 3613(c)(2)* of the Fair Housing Act, and *Cal. Gov't Code §§ 12989.2(a), 12965(b)* of the California Fair Employment and Housing Act include expert's fees in an award of fees and costs.

COUNSEL: [*1] For Housing Rights Center, Karlene Henry, all individually and on behalf of the General Public, Thomas NMI Brown, all individually and on behalf of the General Public, Dianne Wesley, all individually

and on behalf of the General Public, Aubrey Franklin, all individually and on behalf of the General Public, Kandyce Jones, all individually and on behalf of the General Public, Ashley Portillo, individually and on behalf of the General Public, Mary Young, Ed Nell, Marie Davis, Robin Steed, Dixie Martin, Soino Lugo, Plaintiffs: Joanne E Caruso, Joanne Lichtman, Michael L Turrill, Howrey Simon Arnold & White, Los Angeles, CA; Liam J Garland, Southern California Housing Rights Center, Los Angeles, CA; Neetu S Badhan, Nisha Narendra Vyas, Housing Rights Center, Los Angeles, CA.

For Daryl Williams, all individually and on behalf of the General Public, Plaintiff: Liam J Garland, Southern California Housing Rights Center, Los Angeles, CA; Neetu S Badhan, Nisha Narendra Vyas, Housing Rights Center, Los Angeles, CA.

For Luis Portillo, individually and on behalf of the General Public, Plaintiff: Gray W Rhoades, Gray W Rhodes Law Offices, Los Angeles, CA; Joanne E Caruso, Joanne Lichtman, [*2] Michael L Turrill, Howrey Simon Arnold & White, Los Angeles, CA; Liam J Garland, Southern California Housing Rights Center, Los Angeles, CA; Neetu S Badhan, Nisha Narendra Vyas, Housing Rights Center, Los Angeles, CA.

For Anny Kim, Ebony Jones, General Public, all individual and on behalf of the, Plaintiffs: Gray W Rhoades, Gray W Rhodes Law Offices, Los Angeles, CA; Joanne E Caruso, Joanne Lichtman, Michael L Turrill, Howrey Simon Arnold & White, Los Angeles, CA; Liam J Garland, Southern California Housing Rights Center, Los Angeles, CA.

For Craig Hubble, Douglas Walton, Movants: Raaqim A S Knight, Ileana M Hernandez, Robert H Platt, Sharon B Bauman, Manatt Phelps & Phillips, Los Angeles, CA.

For Michael D Morris, Movant: Germain D Labat, III, Steven O Kramer, Mayer Brown Rowe and Maw, Los Angeles, CA.

For Donald Sterling, individually and as owner of the Donald Sterling Corporation, Donald Sterling Corporation Erroneously Sued As Donald T. Sterling Corporation, Donald Sterling Family Trust Erroneously Sued As Sterling Family Trust, Defendants: Adrianna M Corrado, Michael T Kennick, Michael W King, King and Kennick, Huntington Beach, CA; Ileana M Hernandez, Robert [*3] H Platt, Sharon B Bauman, Manatt Phelps and Phillips, Los Angeles, CA; Robert Phelps Baker, Baker and Associates, Glendale, CA; Joanne E Caruso, Howrey Simon Arnold & White, Los Angeles, CA.

For Korean Land LLC, Defendant: Michael T Kennick, Michael W King, King and Kennick, Huntington Beach, CA; Robert H Platt, Sharon B Bauman, Manatt Phelps and Phillips, Los Angeles, CA.

For Korean Land Company LLC, Rochelle Sterling, Defendants: Robert H Platt, Sharon B Bauman, Ileana M Hernandez, Manatt Phelps and Phillips, Los Angeles, CA.

For Reina Calles, individually and on behalf of the General Public, Defendant: Joanne E Caruso, Howrey Simon Arnold & White, Los Angeles, CA; Liam J Garland, Southern California Housing Rights Center, Los Angeles, CA.

For Century Surety Company, Intervenor: Bruce D Celebrezze, Robert N Berg, Sedgwick Detert Moran & Arnold, San Francisco, CA.

For Jeffrey High, Plaintiff: Joanne E Caruso, Joanne Lichtman, Michael L Turrill, Howrey Simon Arnold & White, Los Angeles, CA; Liam J Garland, Southern California Housing Rights Center, Los Angeles, CA; Neetu S Badhan, Housing Rights Center, Los Angeles, CA.

JUDGES: DALE S. FISCHER, United States District [*4] Judge

OPINION BY: DALE S. FISCHER

OPINION

CIVIL MINUTES -- GENERAL

Proceedings: (IN CHAMBERS)
ORDER GRANTING MOTION FOR
PREVAILING PARTY ATTORNEYS'
FEES AND COSTS

I. INTRODUCTION

This matter is before the Court on Plaintiffs' Motion for Prevailing Party Attorneys' Fees and Costs filed September 13, 2005 concurrently with the Declarations of Joanne E. Caruso, Michael L. Turrill, Gary W. Rhoades, and Liam Garland and the Appendix of Authorities. Defendants' Opposition and supporting Declaration of Gerald Knaption were filed October 3, 2005. The Declaration of Michael T. Kennick re Plaintiffs' Motion for Attorneys Fees ¹ was filed on October 7, 2005. Plaintiffs' Reply and supporting Declarations of Michael L. Turrill and Nicole K. Reyes were filed October 7, 2005. The

Supplemental Declaration of Michael L. Turrill in Response to Declaration of Michael T. Kennick re Plaintiffs' Motion for Prevailing Party Attorneys' Fees and Costs was filed October 11, 2005. Oral argument was held on October 17, 2005. ² On October 21, 2005, Plaintiffs submitted the Supplemental Declaration of Michael Turrill to respond to questions raised by the Court at the hearing on this Motion. [*5]

1 The parties agreed at oral argument that the fees requested by Gary Rhoades have been resolved, and that amount is deducted from the request.

2 Though the Court denied Century Surety Company's motion to intervene, the Court allowed counsel for the company to present argument at the hearing.

For the reasons stated below, the Court grants the Motion with a few exceptions.

II. LEGAL ISSUES

The dispute here is about dollars, not legal issues. Therefore the Court addresses the legal issues raised by the parties only briefly.

A. Lodestar Method

Both parties agree [HN1] the Court should use the "lodestar method" to determine fees. Motion 8; Opp'n 8, et seq.; Knapton Decl. 5, P 10.

B. Pro Bono

Defendants allude to the fact that Howrey handled this matter *pro bono*, not to argue that Howrey is not entitled to fees at all, but to suggest that the *pro bono* nature of the case impacts the calculation of a reasonable fee. The Court disagrees. There is no reason Defendants should [*6] benefit by the *pro bono* nature of the representation.

C. Relation to Settlement

Defendants also suggest that the requested fee is inappropriately disproportionate to the settlement amount. Plaintiffs assert, and Defendants do not dispute, that the monetary settlement here is one of the largest ever obtained in this type of case. Nor do Defendants dispute that there was a significant and wide-ranging non-monetary component and public benefit. [HN2] Both aspects of the settlement are properly considered in determining the reasonableness of the fees. *Morales v. City of San Rafael*, 96 F.3d 359, 364-65 (9th Cir. 1996); see also *City of Riverside v. Rivera*, 477 U.S. 561, 106 S. Ct. 2686, 91 L. Ed. 2d 466 (1986). The Court has considered both. Here, as in *Fair Housing of Marin v. Combs*, 285

F.3d 899 (9th Cir. 2002), the Court finds an award well in excess of the monetary settlement amount is reasonable.

D. Costs and Expert Fees

Defendants contend Howrey should not recover its costs because it has not provided "backup documentation." Defendants provide no applicable authority for this proposition, and the Court finds the documentation sufficient.

Defendants [*7] challenge only three specific categories of costs: photocopying, computer research charges, and expert fees. The Court agrees with what it believes to be Defendants' argument that only those expenses that Howrey regularly charges its clients should be charged to Defendants here. At the hearing, Mr. Turrill confirmed that these expenses would normally be charged to clients.

Based on the explanation provided by Mr. Turrill in the Reply, the Court finds that the amount requested for photocopying is reasonable.

In response to the Court's request, Mr. Turrill submitted an explanation of the manner in which the firm charges its clients for computer research charges. The Court does not conclude that these charges are unreasonable or that the manner in which Howrey charges its clients for these services is unreasonable. Nevertheless, under these particular circumstances and in light of the amount of fees the Court awards in this case, the Court declines to award the cost of computer research.

The Court will not award the charge of \$ 240.00 for special publications.

The parties entered into an Attorneys' Fees Agreement. The Court inquired at the hearing concerning the parties' intent in [*8] entering the Agreement -- specifically with regard to the entitlement to expert fees. Mr. Kennick stated that he did not know what Plaintiffs were thinking in terms of expert fees, and that he himself did not "give any thought to whether expert fees" would be included. He argued that fees and costs should be awarded "pursuant to the Agreement." Ms. Caruso stated that the Agreement was intended to include fees and costs pursuant to the applicable statutes. As set forth in Plaintiffs' motion, [HN3] the Civil Rights Act of 1866, 42 U.S.C. § 1981 et seq., the Fair Housing Act, 42 U.S.C. § 3613(c)(2), and the California Fair Employment and Housing Act, Government Code §§ 12989.2(a), 12965(b) include expert's fees in an award of fees and costs. The Agreement does not specify either approach. While Howrey's position appears the more reasonable, at the very least, it appears there was no meeting of the minds concerning this aspect of the Agreement. ³ Therefore, the

Court follows the applicable law relating to this type of litigation, and awards expert's fees.

3 The Court inquired at the hearing whether an evidentiary hearing on this issue was appropriate. Should Defendants believe a hearing, and testimony of counsel concerning their respective intent, might result in a different interpretation, Defendants may request a hearing within ten days of the date of this Order.

[*9] III. ANALYSIS OF FEES

Plaintiffs seek their attorneys' fees and costs in connection with prosecuting an exceedingly contentious dispute alleging, *inter alia*, housing discrimination in violation of state and federal law. Defendants do not dispute that fees and costs should be awarded. They simply claim that the requested amount is unreasonable in that the rate charged was too high and the hours spent were excessive for various reasons. Defendants base their claim on the expert opinion provided by Gerald Knapton⁴, and the Court addresses the issues in the manner in which he raises them.

4 While Mr. Knapton's qualifications are impressive, for the reasons discussed below, the Court generally disregards his opinions as unsupported by the evidence. Further, the Court disregards as an inappropriate opinion on the law, Mr. Knapton's discussion of the legal issues to be considered in determining the amount of fees to be awarded.

A. Reasonableness of Fees⁵

5 Mr. Knapton seemed to suggest, at page 7, paragraph 13, that the Court should decline to award fees for services performed after the issuance of the preliminary injunction because "the risks of not prevailing were greatly reduced," or at least after the Ninth Circuit affirmed the preliminary injunction, but Defendants disavowed that position at oral argument.

[*10] Mr. Knapton opines that the hourly rates charged by Howrey's attorneys are higher than those charged by attorneys of comparable experience. He does not, however, opine as to the rates actually charged by attorneys of comparable experience in this community. He suggests that if Plaintiffs provide such information in their reply, it will be a sampling of only a small number of firms; but he provides no broader analysis of his own. Mr. Knapton opines that either the "Laffey Matrix" or a "blended rate" should be used. The Court disagrees. Mr. Knapton himself notes that he has seen rates of up to \$ 1,000 per hour and that he sees rates between \$ 125 and

\$ 650 per hour in California on a regular basis. This is much more in line with this Court's experience than is the Laffey Matrix. The Laffey Matrix also does not comport with the reality of Los Angeles firm billing practices. It sets a single rate for associates with one to three years experience, another for four to seven years, another for eight to ten years, another for eleven to nineteen years, and a single rate for all attorneys with twenty years or greater experience. It also sets a single rate for paralegals, regardless of experience. [*11] There is much more variance from year to year in Los Angeles, as shown by Plaintiffs' Exhibit C to the Second Turrill Declaration.

Mr. Knapton also states contradictory opinions concerning a "blended rate." At page 7, paragraph 12 of his declaration, Mr. Knapton suggests that the Court apply "the Laffey Matrix hourly rates adjusted for Los Angeles (averaging \$ 358.20 as applied)" to his proposed number of reasonable hours. Yet on pages 20 -- 21, at paragraph 34, Mr. Knapton states that he has "often calculated" blended rates, and they vary from \$ 200 to \$ 230 per hour. He then chooses to apply \$ 200 per hour to this matter, using the number of hours requested by Plaintiffs.

The Court also sees no reason to use a blended rate when it concludes that using the regular hourly rates of these attorneys results in the award of a reasonable fee. Both the Laffey Matrix rate and the suggested blended rate of \$ 200 are too low in the circumstances of this case and in this community. If the Court did choose to use the Laffey Matrix blended rate adjusted for Los Angeles as calculated by Mr. Knapton (\$ 358.20), it would result in a larger fee than Plaintiffs request.

B. Reasonableness of [*12] Hours⁶

6 In his "Procedural Overview" at pages 8 -- 9, paragraph 16, Mr. Knapton describes "his understanding of what transpired month by month from the investigation of the matter through the fee application. . . ." This description is often cursory and, overall, is unhelpful if not misleading. For example, Mr. Knapton apparently concludes that in October 2003, 16 billers accomplished only one deposition. The next month he describes the "task" "Amended Complaint -- New judge assigned" as being accomplished by 17 billers. In February 2005, the "task" is described as "New dates set" by 14 billers.

1. The Alternative Method

At pages 10 -- 13, paragraph 20, Mr. Knapton suggests an alternative method looking at the work performed and allowing a reasonable amount of time for each. There are numerous problems with this approach.

First, Mr. Knapton provides no explanation of how he arrives at the amount of time he attributes to each task. Second, he fails to recognize that a significant amount of [*13] time is necessarily spent on tasks that he fails to list at all. Not the least of these is preparation for defending depositions, as noted in Plaintiffs' Reply. Finally, Mr. Knapton fails completely to account for Defendants' "scorched earth" litigation tactics, some of which are described by Plaintiffs' counsel and some of which were observed by the Court. This Court has no difficulty accepting Plaintiffs' counsel's representations that the time required to be spent on this case was increased by defense counsel's often unacceptable, and sometimes outrageous conduct.

In the circumstances of this case, Mr. Knapton's suggested "alternative method" would be totally inappropriate.

2. The Staffing Analysis

Mr. Knapton contends that a reasonable number of hours for the work performed is 6,130, rather than the 14,457.93 submitted by Plaintiffs. Mr. Knapton suggests five reasons that time should be reduced: (1) overstaffing; (2) inexperienced timekeepers; (3) redundancy of timekeepers; and (4) inefficiency. Several of these reasons overlap. For example, overstaffing may result in redundancy and inefficiency. The Court finds Mr. Knapton's opinion unpersuasive for the reasons described [*14] below.

3. Excessive Number of Billers

Mr. Knapton concludes that "the use of 45 timekeepers for this time [sic] of matter appears to be unwarranted." He does not state how he defines the "time" (presumably "type") of matter, whether he considered defense counsel's litigation tactics, or why 45 "appears" to be excessive. The Court finds that there were only 38 timekeepers for the purpose of this analysis because only attorneys and paralegals should be considered. Nevertheless, the Court agrees that 38 is a potentially excessive number of legal professionals for most cases and that the work done should be scrutinized to determine whether the numbers of timekeepers did indeed result in excessive fees.

Mr. Knapton states that "many timekeepers come and go from the team. Some record very few hours. Some record time . . . in vague ways." He cites no specific example of the latter, but does provide a chart that illustrates his first two points, attached as Exhibit C. The Court undertook a review of the hours of selected attorney and paralegal timekeepers based on the information provided in Mr. Knapton's Exhibit C and tested Mr. Knapton's theory by reviewing each entry for [*15] legal

professional timekeepers who had billed fewer than 40 hours to the matter.

As to paralegal David Coplen ⁷, his time related to cite-checking and checking Local Rules, and a conference. The Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe that these tasks could have been done more efficiently by someone with more involvement in the case.

7 Mr. Knapton's Exhibit C is not accurate. For example, he indicates that paralegal David Coplen billed 8 hours in January 2005. Mr. Coplen actually billed 8 hours in January 2004.

As to associate Steven DeSalvo, who participated in the preparation of the appellate brief, the only potential duplication was .5 hours charged for "reading of pleadings and background materials re litigation." It is likely that even an associate who had been intimately involved with the proceedings previously would have spent that amount of time checking specific details or refreshing recollection concerning what had gone before. [*16] One half hour for a new person undertaking this task is certainly reasonable, and suggests that perhaps Mr. DeSalvo did his own evaluation of an appropriate charge and reduced the actual time spent accordingly. The Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe that these tasks could have been done more efficiently by someone with more involvement in the case.

As to paralegal Marcella Herndon, ⁸ who reviewed documents off-site, updated a table of key cases, organized information, downloaded information, and organized small claims files, there is no indication that any particular information about the case was necessary -- and no indication that Ms. Herndon charged any time for acquiring such information. The Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe that these tasks could have been done more efficiently by someone with more involvement in the case.

8 Mr. Knapton's Exhibit C fails to show at least several entries for Ms. Herndon for deposition review and summarizing. This supports Mr. Turill's testimony that Plaintiffs do not seek reimbursement for much of the time spent summarizing depositions. Indeed, Plaintiffs have sought less reimbursement for this task than Mr. Knapton would have allowed under the "alternative method."

[*17] Paralegal Rebecca Isomoto's time was basically spent cite-checking, assisting with the instant mo-

tion, preparing documentation for production, and assisting counsel in the preparation for deposing witnesses. While the amount of time spent might seem somewhat excessive in the abstract, when considering that the number of relevant documents and that the main deposition was that of Defendant Donald Sterling, the Court concludes that it was appropriate. There is no indication that any particular information about the case was necessary - - and no indication that Ms. Isomoto charged any time for acquiring such information. The Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe that these tasks could have been done more efficiently by someone with more involvement in the case.

As to associate Tara Kowalski, who prepared one or more motions in limine for Plaintiffs, and oppositions to Defendants' motions in limine, there is a charge of 1.75 hours for attending a "team meeting" concerning trial preparation, and a "block billing" charge of 9.25 hours to "Review pleadings, correspondence and medical records in preparation for drafting [*18] motion in limine re medical records." Although numerous attorneys attended this "team meeting" and the fees would certainly have been less if fewer attorneys had been working on trial preparation, based on the Court's knowledge of this case and the way Defendants and their counsel have conducted themselves, the Court does not conclude that the number of attorneys working on trial preparation was excessive. A relatively brief "team meeting" was a reasonable way to accomplish the necessary discussion of tasks necessary to trial preparation. An unspecified amount of time in the "block" of 9.25 hours was spent in reviewing pleadings. However, the overall amount billed for preparation of motions in limine and oppositions to motions in limine appears reasonable, and a limited review of the pleadings to determine, verify (or rebut) and cite to the Court portions establishing the relevance (or lack thereof) of information sought to be admitted (or excluded) would have been performed even by counsel with more involvement in the case. The Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe that these tasks could have been done more [*19] efficiently by someone with more involvement in the case.

As to paralegal Kyu Lee, who attended a document production at an apartment complex, reviewed documents of Plaintiff High, and worked with the preparation of an electronic database for deposition transcripts, there is no indication that any particular information about the case was necessary -- and no indication that Mr. Lee charged any time for acquiring such information. The Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe

that these tasks could have been done more efficiently by someone with more involvement in the case.

As to paralegal Ken Ragsac, who appears to have reviewed specific document productions for specific documents, reviewed the Sterling deposition for discrete testimony, and similar tasks, there is no indication that any particular information about the case was necessary - - and no indication that Mr. Ragsac charged any time for acquiring such information. At the hearing, the Court did question Mr. Ragsac's entries for August 26 and August 27 due to their vagueness. The Court finds the explanation provided by Mr. Turrill in the declaration [*20] filed after the hearing to be acceptable. In addition, the Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe that these tasks could have been done more efficiently by someone with more involvement in the case.

As to paralegal Esther Wolkowitz, who organized and prepared documents, checked cites and prepared an appendix of authorities for a brief, there is no indication that any particular information about the case was necessary -- and no indication that Ms. Herndon charged any time for acquiring such information. The Court finds there was no inappropriate duplication. The Court further concludes that there is no reason to believe that these tasks could have been done more efficiently by someone with more involvement in the case.

Therefore, based on this Court's individualized review of the time sheet entries and its own experience in billing civil litigation matters and reviewing bills, as well as the testimony of Mr. Turrill that redundant entries have been eliminated, the Court does not find Mr. Knapton's unsupported conclusion that the fact the timekeepers go "in and out" and that the large number of timekeepers [*21] caused duplication and excess billing, to be persuasive.

Mr. Knapton next suggests that the Court should consider only the time of the "core team of timekeepers," the ten timekeepers who worked on the "matter throughout the litigation." Mr. Knapton gives no explanation for his proposal. Even if ten timekeepers working full time could have accomplished all of the legal work actually performed in the case, Mr. Knapton makes no adjustment for the significant amount of work that was performed by persons other than the "core ten." In fact, instead of adjusting the time of the "core ten" upward to estimate how much these (presumably more efficient) timekeepers would have charged for the hundreds of hours of additional work, Mr. Knapton suggests a whopping reduction of "about 20%" for the time spent by the "core ten" to adjust for duplication. Mr. Knapton does not give a single specific example of duplication among these "core

ten," nor does he provide any explanation whatsoever for his "about 20%" figure.

It is true that there is inherent duplication in any case staffed by more than one person. Attorneys and paralegals must discuss the case with one another, bring each other up to date [*22] on developments that only one has become aware of, strategize, etc. But this fact of litigation does not make such "duplication" unreasonable or preclude an award of fees for this unavoidable aspect of having more than one timekeeper working on a matter. The Court's review of the bills does indeed reveal that attorneys spoke with and met with each other, strategized, etc. The Court, however, does not find that any more than de minimis duplication of the nature suggested by Mr. Knapton occurred. The number of timekeepers is substantially related to the large amount of unnecessary work created by defense counsel's scorched earth litigation tactics. It would be totally inappropriate for this Court to reduce fees that were due in significant part to the sometimes egregious defense conduct.

The Court declines Mr. Knapton's baseless suggestion that it consider only the time of the "core ten."

4. Inexperienced Timekeepers

In addition to suggesting that the Court consider only the "core ten," Mr. Knapton suggests that the time of the five least experienced "core ten" timekeepers be "reduced or eliminated for the total time" because "the fewer the years of practice, the higher [*23] the probability of padding." Knapton Decl. 15, P 24. ⁹ Mr. Knapton, however, does not suggest a single entry of any of these attorneys that was "padded." At most, Mr. Knapton suggests that the opposition to the appeal did not require the sort of "combing through a trial record" that sometimes is required, and that the record was fairly easy to present. He suggests, again without support: "This appears to have been used as a training case for the less-experienced timekeepers."

⁹ Mr. Knapton cites the California State Bar Arbitration Advisory 03-10 (January 29, 2003) as authority for this proposition. The advisory suggests the possibility that associates "pad" to obtain bonuses, where bonuses are paid based on the number of hours billed. The Advisory does not suggest that all new attorneys "pad." In fact, it concludes that "The vast majority of lawyers are

honest and their bills are reliable statements of the work done." The Advisory does not suggest that the time of inexperienced timekeepers should be eliminated or reduced on some basis unrelated to a specific analysis of whether their time was actually "padded." Though Mr. Knapton purports to be "familiar with the legal billing practices of almost all of the major law firms in the U.S.," p. 3, P 6, he fails to describe how they might induce padding, or how they apply here. In fact, he provides no actual support for this allegation at all.

[*24] The Court has the declaration of Michael Turrill, an attorney familiar with the case and the work done, who has reviewed the firm's billings, analyzed the work of the timekeepers, and significantly reduced the fees requested to account for duplication. He states that the time spent was reasonable. Mr. Knapton states in conclusory fashion that the time of five of the only ten timekeepers he is willing to consider at all should be eliminated or reduced. He gives no basis or suggestion as to the amount of reduction. The Court finds his opinion unhelpful and unpersuasive.

The Court will not base a reduction in fees on unsubstantiated suggestions of padding.

5. Redundancy

Mr. Knapton notes that there is redundancy in the billings by having more than one attorney attend depositions, hearings, and meetings, and working on briefs. The Court agrees. Mr. Turrill avers, however, that no more than one attorney's time was charged for any deposition, except for those of Donald and Rochelle Sterling. Based on the Court's knowledge of and experience with this case, it was appropriate to bill for more than one attorney for these depositions. Mr. Turrill testified that the time of no more [*25] than two attorneys was charged for any hearing. While it might be appropriate for two attorneys to attend a hearing, that is not necessarily so. At the Court's instruction, Mr. Turrill provided the Court with an explanation of why two attorneys were necessary for each hearing where the time of more than one attorney was charged, the name of the attorneys, number of hours charged, and amount charged for each. The Court concludes that, in some instances, the presence of two attorneys, while more convenient for Howrey attorneys, was not entirely necessary. Therefore the Court declines to award the following fees:

| | |
|----------|------------------------------|
| 9/8/03 | \$ 397.50 for Ms. Thurmond |
| 12/29/03 | \$ 1,126.25 for Ms. Reyes |
| 5/24/04 | \$ 2,450.00 for Ms. Caruso |
| 7/26/04 | \$ 1,278.75 for Ms. Lichtman |

12/3/04

\$ 1,218.75 for Ms. Reyes

On one occasion four people attended a document production. In response to the Court's inquiry at the hearing, Ms. Caruso satisfactorily explained the history and nature of this document production. Under the circumstances, including the volume of documents, and the various locations, the Court finds the staffing for the production was appropriate. Moreover, Ms. Caruso adequately explained [*26] that no duplication was involved.

Mr. Knapton also lists seven timekeepers who worked on the appeal. In that connection, he opines both that the matter is being used as a training case, and that it created redundancy. Mr. Knapton's description of the time spent is seriously misleading. He notes all of the time spent for three of the timekeepers (Carroll, Lichtman, and Thurmond), but describes the time as "partially for appeal." A review of the time entries establishes that relatively little of these timekeepers' time was spent on appeal-related matters. Mr. Knapton does not note any specific duplicative entries or describe how the time spent was redundant, and there appears to be little, if any, that falls into this category. Though not described as "partially for appeal," relatively little of the time of Burt and Haegelin was spent on the appeal. Burt researched and drafted one discrete portion of the appellate brief. Haegelin appears to have done even less. In fact, the Court's review of these time entries shows that Meyer was the partner in charge of the appeal, and that DeSalvo handled the associate's responsibilities. The description of the services performed and the time entries [*27] shows no more than de minimis redundancy (numerous timekeepers reviewed the trial court's order and the appellate court's decision). The Court declines to address this tainted allegation further.

This skewed presentation of "facts" concerning the appeal significantly undercuts the already questionable value of Mr. Knapton's analysis on other issues.

6. Inefficiency

This argument repeats in part the unconvincing staffing argument. Mr. Knapton goes on to suggest that an apparently excessive amount of time was spent on summarizing depositions. Mr. Knapton "[p]ut[s] aside for a moment why computer programs were not utilized.

... " He does not describe how computer programs perform this function or how much time or expense would be saved by this method. He notes that the time charged for summarizing depositions often was more than the deposition itself, and suggests in his "alternative method" analysis that only 308 hours be assessed for this task. As the Reply demonstrates that significantly fewer hours were actually charged by Plaintiffs' counsel, the Court does not discuss this issue further.

Here Mr. Knapton again repeats his argument about the appeal brief, but this [*28] time decreases the time period he refers to by two months (paragraph 20 includes time from August 2003 through January 2004 while paragraph 27 includes time from August 2003 through November 2003). He also changes the number of timekeepers from seven in paragraph 20 to eight in paragraph 27. The Court rejects Mr. Knapton's opinion.

The only other alleged example of inefficiency is in the preparation of the brief re motion to substitute heirs.¹⁰ It is not necessarily redundant for a number of persons to work on a single brief. Certainly at least one partner and one associate is a standard and cost-effective approach. Where exhibits must be located or cites must be checked, a lower billing associate or paralegal may reduce the overall fees charged. The Court has reviewed all the entries related to this motion. Mr. Knapton's description is that of an advocate for a client, but is of no assistance in actually evaluating the time spent. The Court concludes that the number of hours spent on this motion is at the outer edge of reasonableness. Perhaps an attorney with more experience could have handled the work more efficiently, but also at a greater hourly rate. The Court concludes counsel [*29] should be awarded the fees charged for this task.

10 The Court agrees with Plaintiffs that Defendants should have stipulated rather than forcing Plaintiffs to make this motion.

IV. CONCLUSION

For the reasons stated above, the Court awards the total amount of \$ 4,923,554.75 as follows:

| | |
|-----------------------------------|-----------------|
| Original request as supplemented: | \$ 5,150,051.00 |
| Less Mr. Rhoades' fees: | -\$ 104,483.00 |
| Less time deducted for two | |

| | |
|--------------------------------------|-----------------|
| attorneys at certain hearings: | -\$ 6,471.25 |
| Less time spent on retainer letters: | -\$ 5,415.00 |
| Less computer research: | -\$ 109,887.00 |
| Less charge for special publication | -\$ 240.00 |
| | \$ 4,923,554.75 |

IT IS SO ORDERED.

