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Saveri Foils Florida Firm in \$1.2 Million Fee Fight

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March 9, 2015

SAN FRANCISCO — Attorney Joseph Saveri won a \$1.2 million fee fight Monday against a Miami firm which accused the veteran plaintiffs lawyer of reneging on a promised referral fee in antitrust litigation.

U.S. Magistrate Judge Elizabeth Laporte ruled that the <u>referral agreement</u> made by an attorney at Saveri's former firm, Lieff Cabraser Heimann & Bernstein, does not bind the new firm Saveri founded in 2012.

Miami's Criden & Love referred client Isaac Industries to Lieff Cabraser in 2010, and the company served as a lead plaintiff in a price-fixing class action filed in Maryland federal court against makers of the commercial pigment titanium dioxide. In exchange, Lieff Cabraser agreed to pay Criden & Love 12.5 percent of fees awarded. In 2012 Saveri left Lieff Cabraser and opened the Joseph Saveri Law Firm. He then entered an appearance in the titanium dioxide litigation on behalf of another client, Breen Color Concentrates, and was added as co-lead counsel.

After the litigation settled for \$163.5 million in 2013, Saveri's law firm received approximately \$10 million and Criden & Love, which had received \$917,000 from Lieff Cabraser, demanded a cut of Saveri's fees.

Saveri argued he had no part in the referral arrangement, and that enforcing the agreement would be improper under California ethics rules because his new client had not consented.

Laporte agreed and granted Saveri's motion for summary judgment in Joseph Saveri Law Firm v. Michael Criden, 14-1740. "It is undisputed that plaintiff Saveri Law Firm's client Breen did not give consent to the alleged referral fee agreement," the judge wrote.

Saveri sued Criden & Love in April for declaratory relief in the Northern District of California after the Miami firm initiated arbitration proceedings. Criden & Love responded with a counterclaim in August. Attorney Robert Bunzel of Bartko, Zankel, Bunzel & Miller represents Saveri. Criden & Love is represented by Oakland firm Sullwold & Hughes and Miami firm Mase Lara.

California Rule of Professional Conduct 2-200 bars lawyers who are not partners from sharing fees unless "the client has consented in writing thereto after a full disclosure." The rule also provides that the total fee charged by all lawyers may not be increased as a result of the arrangement.

Without the consent of Saveri's new client, Breen, Laporte concluded any agreement between Saveri and Criden & Love would be unenforceable.

Attorneys from Criden & Love cannot claim they were unaware of the requirement, Laporte added, because they have frequently appeared pro hac vice in California courts, which requires attorneys to swear they are familiar with the state's standards of professional conduct. Bar rules in Florida impose a similar obligation, she noted.

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