NEWS

$400 a Day: Frivolous Litigation Leads to Sanction, About $10K Attorney Fees

"Failure to remit the funds fully, completely and timely will result in the imposition of a sanction in the amount of $400 per day for each day full payment remains due, owing and unpaid," read Atlanta Judicial Circuit Judge Melynee Leftridge's order.

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Litigation

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Litigation Reporter

What You Need to Know

- Shaman accused of sexual assault faces "$400 per day" sanction to ensure his timely full payment of $10,000 in attorney fees awarded against him.
- Fulton County Superior Court judge ordered attorney's fees award and preliminary sanction after shaman's defamation claims defeated by defensive anti-SLAPP motion.
- Judge Melynee Leftridge ruled The EAST Institute's Jeffrey Glattstein failed to meet minimum standards to survive dismissal motions.

After successfully leveraging Georgia's anti-SLAPP, or anti-strategic lawsuits against public participation statute to protect their client from allegations of defamation launched by a shaman accused of sexual assault, litigators with Beal Sutherland Berlin & Brown are still waiting to collect about $10,000 in attorney fees for their handling of the "frivolous" litigation.

With plaintiffs Jeffrey Glattstein and The EAST Institute Inc.'s deadline to remit the funds approaching, a potential $400-per-day assessment hangs in the balance if the plaintiffs' former employee, Nat Brown, doesn't receive all fees owed in less than a week.

'Breach of a Confidentiality Clause'

After at least three women filed lawsuits alleging The EAST Institute shaman sexually assaulted them "under the guise that he would be healing and helping them," defendant Glattstein filed claims of his own against two former employees —one of whom is an accuser.

The case pitted Burkhalter Law attorneys handling at least one of Glattstein's plaintiff cases against Beal Sutherland Berlin & Brown litigators tasked with managing separate Cobb and Fulton County matters involving the shaman.

Energy Healing or Sexual Assault? Anti-SLAPP Claim Filed Against Georgia Shaman

In particular, the Fulton County case involved a contractual dispute launched by Glattstein against Brown.

Filed last October, Glattstein's complaint alleged that, within 18 months of ending his employment at the East Institute, Brown both "contacted current employees of the Company and encouraged them to leave" and "encouraged … students [and] clients to stop obtaining services from The East Institute."

"Within two years of the end of his employment at The East Institute, Defendant Brown, individually, and through a competing organization that he created known as the Mestana Collective, provided or attempted to provide services in the mental health, health and wellness industry within the State of Georgia, which is a geographical area in which The East Institute currently engages or plans to engage in such businesses," Glattstein's complaint alleged.

Considering Glattstein's complaint "nothing more than a strategic attempt to limit [Brown's] free expression," defense counsel filed a motion to dismiss on Oct. 30, 2023, based upon Georgia's anti-SLAPP statute.

'Plaintiffs' Pleadings Fail'

Within 60 days of receiving the defendant's answer, Fulton County Superior Court Judge Melynee Leftridge held a hearing to address the anti-SLAPP motion. Afterward, Leftridge sided with defense counsel before entering a pair of orders in the defendant's favor.

In her Feb. 15 order granting defense counsel's anti-SLAPP motion to strike, Leftridge concluded Glattstein had both failed to "prove actual malice by clear and convincing evidence."

"Plaintiffs' tortious interference claim fails to meet the pleading requirements to survive a motion to dismiss, as Plaintiffs have admitted Defendant was not a stranger to the business relationship and, without a contract speaking to the contrary, his communications were not without privilege," Leftridge's dismissal order read. "Plaintiffs contend Defendant violated the Georgia Trade Secrets Act; however' they fail to identify any such information allegedly taken and fail to communicate how such information could amount to a trade secret under Georgia raw. Plaintiffs' pleadings fail to meet the minimum requirements to survive a motion to dismiss."

Read: Judge's Anti-SLAPP Ruling & Dismissal Ruling

The dismissal put an end to Glattstein's pursuit of Brown while opening the door for the former employee to recoup $9,585 in attorney's fees from the plaintiffs for what Leftridge later deemed "frivolous" litigation in a May 7 award order.

'Lacking Substantial Justification'

In a succinct three-page order, Leftridge pointed out that Brown had "never signed an employment agreement" with The EAST Institute nor "execute[d] any contractual document containing any type of restrictive covenants or confidentiality requirements." The judge's order also highlighted that, after being presented with "a termination agreement containing various restrictive covenants" following his departure from the company, Brown "refused to sign" the document.

“Despite being fully aware Defendant Brown had never signed the contract (or any other contract with The East Institute), Plaintiffs filed a lawsuit against Defendant Brown in connection with certain claims arising from his employment with the Plaintiff corporation and specifically related to an employment contract between the corporation and Defendant Brown which did not exist,” Leftridge’s order wrote. “Plaintiffs maintained and pursued a count for breach of contract in the Complaint, yet there was no evidence of such a contract. Plaintiffs contended Defendant Brown tortiously interfered with business and contractual relations by interacting with people purportedly connected with the business of the corporation, notwithstanding the fact there was no agreement existing prohibiting Defendant Brown from communicating with such persons.’”

Leftridge also challenged the plaintiffs’ contention that Brown violated the “Trade Secrets Act,” noting that the plaintiffs ”failed to share any information alleged to have been taken—and how such information could amount to a ‘trade secret.’”

Read: Order

Fulton County Superior Court
EFILEDRM
Date: 5/7/2024 4:17 PM
Che Alexander, Clerk

IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

The East Institute, Inc., Jeffrey Glattstein *
Plantiff *
*
v. * Civil Action No: 2023CV386740
Nat Brown * Judge Melynee Leftridge
Defendant, *
*

ORDER GRANTING DEFENDANT’S MOTION FOR O.C.G.A. § 9-15-14 ATTORNEY’S FEES AND EXPENSES OF LITIGATION

The above-captioned action is before this Court for decision on Defendant Nat Brown’s Motion for Attorney’s Fees and Expenses of Litigation, pursuant O.C.G.A. § 9-15-14. The Court held a hearing on the Motion on April 30, 2024. Attorneys for both parties were present at the hearing. This Court, having considered written submissions of counsel and argument, pertinent portions of the record and the applicable law, finds and concludes as follows:

i. FINDINGS OF FACT

This case finds its genesis in the former employment of Defendant Nat Brown by Plaintiff Jeffrey Glattstein and The East Institute, Inc., the company Plaintiff Glattstein owns and operates which is a purported “wellness center that uses natural remedies and Eastern philosophies and teachings to activate personal well-being and power. Generally, Plaintiffs contend Defendant Brown attended a “Facilitator Program” connected with The East Institute and began employment as a facilitator with the Plaintiff corporation thereafter. Separate from the Facilitator Program, The East Institute hired Defendant Brown as the promotions manager from approximately Oct. 2022 through July 2023, when he ended his employment with the corporation. Notably, Defendant never signed an employment agreement with the Plaintiff corporation nor did he execute any contractual document containing any type of restrictive covenants or confidentiality requirements.

Soon after leaving employment with The East Institute, several facilitators employed by the corporation informed Defendant Brown that Plaintiff Glattstein had improperly touched them without their consent. The East Institute then sent Defendant Brown a termination agreement containing various restrictive

In addition to awarding Brown just shy of $10,000 in attorney’s fees and litigation expenses, Leftridge’s order imposed a penalty for the plaintiffs’ failure to timely comply with paying the ordered fees.

“An award of attorney’s fees and expenses under *O.C.G.A. § 9-15-14* shall be determined by the trial court without a jury and shall be made by an Order which shall constitute and be enforceable as a money judgment,” Leftridge’s order read. “This Court hereby directs Plaintiffs to pay the full sum awarded Defendant herein within 10 business days of the date of entry of this order. Failure to remit the funds fully, completely and timely will result in the imposition of a sanction in the amount of $400 per day for each day full payment remains due, owing and unpaid.”

According to defense counsel, delays in learning about the order extended the 10-business day delivery window to May 27.

Daily Report requests for comment went unanswered by plaintiffs counsel Brian Burkhalter, April Freeman and Patrick Ewing of Burkhalter Law. However, defense counsel told the Daily Report Brown that, as of the morning of May 21, full payment of the awarded attorney’s fees had yet to be received.

However, that did not stop Beal Sutherland Berlin & Brown partner Millinda Brown from hailing the ultimate case outcome.

“We are pleased that Judge Leftridge determined that the lawsuit filed against our client by his former employer, the East Institute, Inc. and Jeffrey Glattstein was frivolous. Our client has had to expend a great deal of time and resources to defend such a frivolous lawsuit, and although he will never be able to recover the time he lost, the Court provided him some much deserved justice and compensation for his attorneys’ fees as a result of being forced to defend a baseless lawsuit,” Brown said. “The important takeaway is that the courts are quick to deter frivolous lawsuits that lack substantial justification.”

RELATED STORIES

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Anti-SLAPP Statute Helps Dismiss Lawyer's Defamation Claim Against Opposing Counsel

Marilyn Manson's Defamation Suit Shows How Anti-SLAPP Laws Should Work, Defense Attorney Says