

US agencies face fees over faulty cases, Ford seeks \$300 million from lemon law lawyers

By Mike Scarcella and David Thomas

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[1/2] Signage is seen outside of the US Commodity Futures Trading Commission (CFTC) in Washington, D.C., U.S., August 30, 2020. REUTERS/Andrew Kelly [Purchase Licensing Rights](#)

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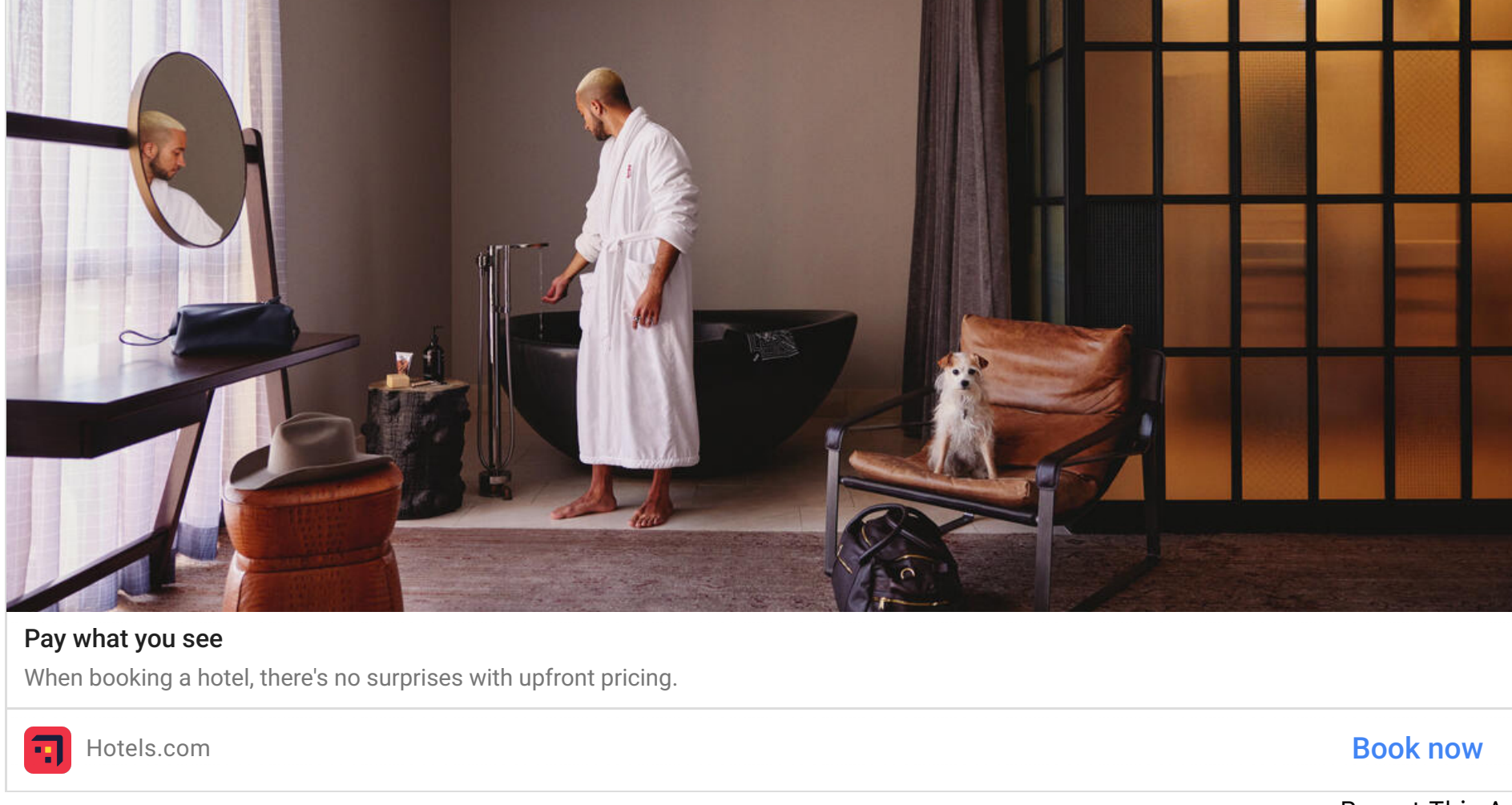
- Ford sues three California law firms
- FTC lawsuit wasn't justified, judge says
- Mea culpa from a plaintiffs firm

May 22 (Reuters) - (Billable Hours is Reuters' weekly report on lawyers and money. Please send tips or suggestions to D.Thomas@thomsonreuters.com)

Two U.S. agencies are on the hook to pay millions of dollars in legal fees after federal judges criticized their conduct in separate cases.

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A judge in Pennsylvania [ruled this week](#) that the Federal Trade Commission's 2020 lawsuit accusing a small company of duping consumers into buying print subscriptions was not "substantially justified." The ruling, which called the FTC case "a quintessential one of overreaching," said the defendant American Future Systems was entitled to recover its defense fees.



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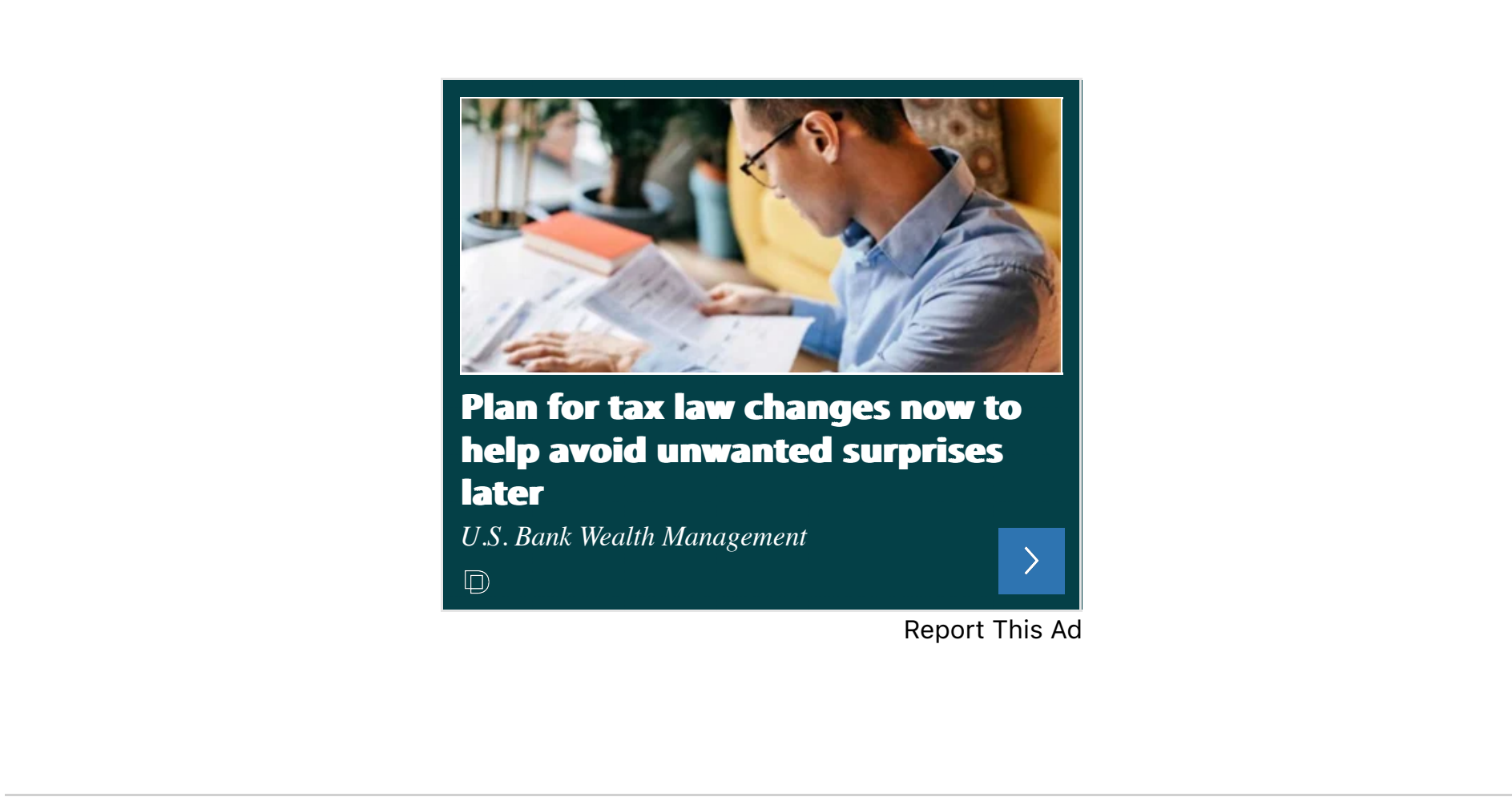
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U.S. District Judge Joel Slomsky said the FTC failed to back up its claims that American Future Systems had misled customers. The company had prevailed against the FTC in 2023 following a 15-day, non-jury trial in Philadelphia.

Lawyers from DLA Piper, White and Williams and Faegre Drinker who represented defendants in the lawsuit will now submit a request for compensation.

DLA's Ilana Eisenstein, who leads the firm's litigation team, told Reuters that it was rare for a judge to find an agency case unjustified, and that her client welcomed the decision after years of litigation.

The FTC did not respond to a request for comment.



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In the other agency case, three law firms have asked a U.S. judge to award nearly \$3 million in legal fees after they defeated a lawsuit filed by the Commodity Futures Trading Commission. A judge last week threw out the CFTC's case against Traders Global Group, also known as My Forex Funds, after the finding the agency acted in bad faith.

The defendant's lawyers at law firms Quinn Emanuel, King & Spalding and McCarter & English in a filing said the requested fee was "an appropriate deterrent — neither too large nor too small — considering the egregiousness of the CFTC's misconduct."

The CFTC said on Tuesday it did not oppose the requested amount. Acting CFTC Chairman Caroline Pham said in a prior statement that the agency's conduct was "inexcusable."

--Law firm Kasowitz Benson Torres is representing Ford Motor in a lawsuit in federal court in California accusing several law firms and lawyers of fraudulently inflating their legal fees in cases brought under the state's Lemon Law designed to protect vehicle owners.



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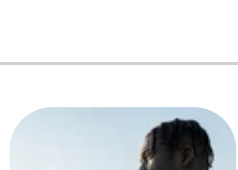
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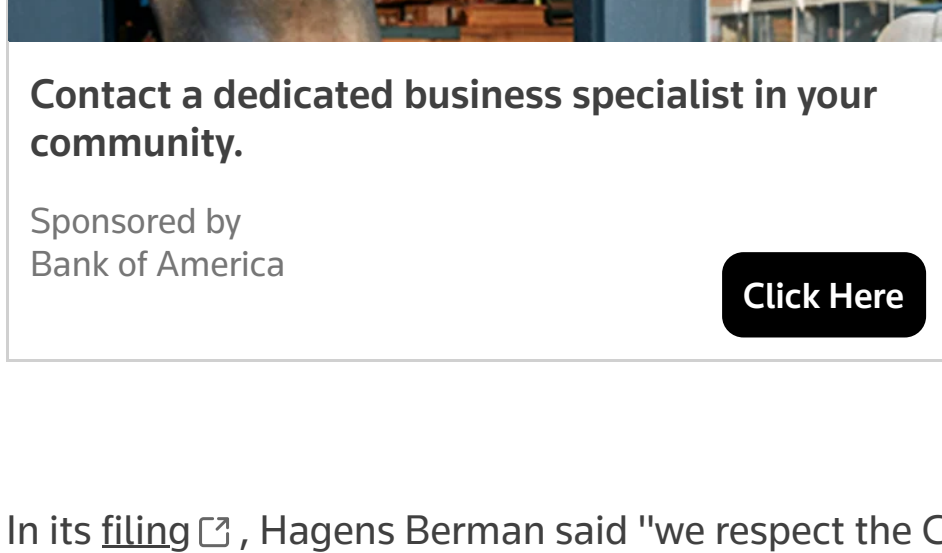
Ford called the alleged improper billings a "magical mystery tour" of bogus work and time entries, claiming one of the lawyers billed an impossible 57-1/2 hours in one day. The attorneys that allegedly anchored the scheme regularly brought in other law firms to overstaff cases, Ford alleged in its complaint on Wednesday.

The automaker said it is seeking \$300 million in damages against the firms. Requests for comment on behalf of the defendants were not immediately returned on Wednesday.

--Seattle-based Hagens Berman said it will not oppose a request from Apple and Amazon for a combined \$223,000 in sanctions against the class action law firm, according to a new court filing.

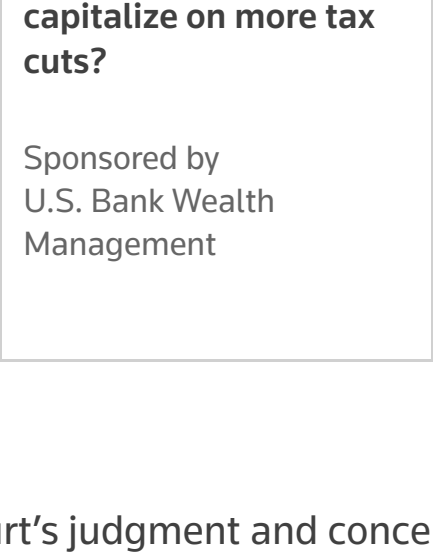
The tech giants accused the firm of unnecessarily dragging out litigation over the price of iPhones and iPads after the initial plaintiff in the case sought to drop out.

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In its filing, Hagens Berman said "we respect the Court's judgment and concerns and, with hindsight, recognize the situation could have been handled better." The firm said it would "redouble their efforts to ensure that this case is conducted with the highest degree of professionalism by all involved."

A spokesperson for the firm had no immediate comment. Apple and Amazon have denied the consumer claims in the litigation. Neither company immediately responded to a request for comment on the fee order.

--A jury in Fulton County, Georgia, has awarded more than \$11.4 million to former law partners of attorney L. Lin Wood, a retired Georgia lawyer who prominently challenged Democrat Joe Biden's victory over Donald Trump in the 2020 presidential election.

The plaintiffs in 2020 sued Wood's firm, claiming it breached a settlement agreement that involved payments to them from several prior cases.

Drew Beal and Milinda Brown, the attorneys for the plaintiffs, said the jury awarded their clients everything they sought. "After five years of litigation, multiple appeals and even an attempt to involve the U.S. Supreme Court, the jury clearly understood what our clients had endured," the plaintiffs' lawyers said.

Wood in a statement said he was disappointed by the verdict and said he will appeal. "The verdict was not supported by the facts or the law," Wood said. "The trial was permeated with reversible errors."

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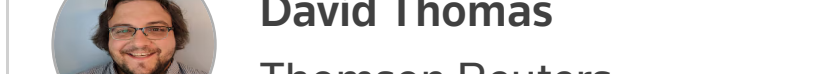
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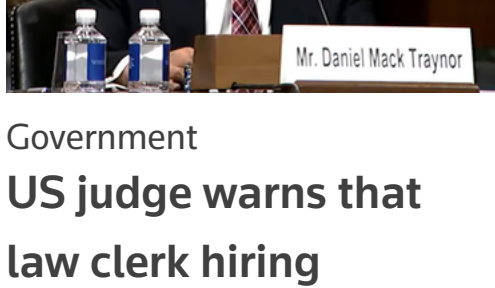


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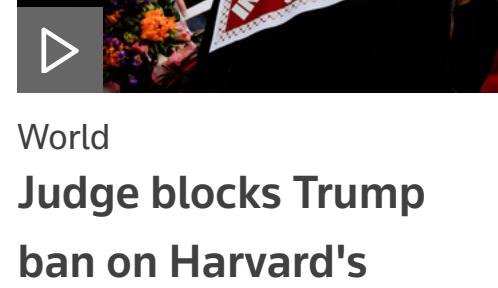
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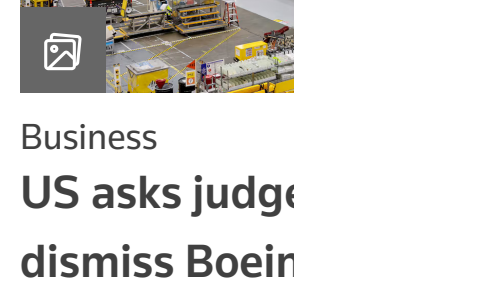
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