

LOS ANGELES

Daily Journal

THURSDAY,
MAY 2, 1996

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Firm Is Settling Case in Wake Of Big Verdict

By Rebecca Liss
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Jones, Day, Reavis & Pogue, the nation's second-largest law firm, opted not to put its fate back in the hands of a jury Wednesday.

After being hit with \$45.6 million verdict Monday for legal malpractice and fraud, Jones Day settled the remainder of the Los Angeles Superior Court case before the jury could hear arguments for punitive damages.

Confidential Settlement

In addition to malpractice and fraud, the jury Monday found that Jones Day breached its fiduciary duty by concealing information from its client, Charterhouse Realty Group. *Jones Day v. Charterhouse*, BC049898.

Monday's verdict alone could be perhaps the second largest legal malpractice verdict ever in the United States. Only a 1992 Oklahoma case in which jurors awarded \$120 million is larger. *Adco Oil Co. v. Taylor*, CT-88-6167-10 (Dist. Ct. Okla. Co.).

The amount of the final settlement was not disclosed and attorneys for both sides refused to discuss the case with the media, citing a confidentiality agreement reached Wednesday.

However, in speaking with jurors, Charterhouse attorney Bruce Broillet, of Greene, Broillet, Taylor & Wheeler, said he felt it was an extremely important case.

"Because of the impact on the legal profession, this is as meaningful a case as I have ever been involved in," Broillet said.

In 1988, Jones Day represented Charterhouse, a New York investment company, in the purchase of a downtown Los Angeles building at Sixth and Flower streets. Broillet in an interview Monday said that Charterhouse would not have purchased the building and a nearby parking lot had it received all the information that was available to Jones Day.

The \$45.6 million awarded Monday covered losses on the investment plus interest. The total sale price of the building and parking lot was \$81 million. Douglas Thorpe, of Perkins Coie, who represented Jones Day, said Monday that he was "quite disappointed" with the verdict.

Following the settlement, jurors readily shared their opinions on the case with the attorneys. Several said they believed that Jones Day had tried to "cover up" information.

"They definitely knew from the beginning about this cover-up. That's what influenced me," said juror Myrtis Smith.

Jones Day Witnesses Derided

Jurors also said that they hoped the verdict could serve as a warning to lawyers. "It is sending a message to lawyers that they should be more truthful," said Marion Mutrie.

But after serving for more than two months, the jury of eight women and four men had more to comment on than just the facts in the case. They derided witnesses they didn't like, adding that Jones Day "didn't have enough credible witnesses." And they praised attorneys on both sides.

"We really adored how you persisted and presented your case," one juror sympathetically told Jones Day's attorney Thorpe.

But what jurors didn't like was to see Christine Spagnoli of Green Broillet as the only female attorney. "You need more women. You need more female energy," juror Lenora Brown scolded parties on both sides.