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## Girardi Keese Hoarding \$4.4M In Atty Fees, Co-Counsel Says

By **Y. Peter Kang**

Law360, Los Angeles (April 1, 2016, 11:52 PM EDT) -- Girardi Keese Law Firm has been accused of renegeing on a \$4.4 million out-of-court settlement for splitting fees with co-counsel in product liability cases in which it represented plaintiffs suing GlaxoSmithKline and TXI, following a similar suit lobbed at the plaintiffs' firm in February.

Gruber & Gruber claims Los Angeles-based Girardi Keese is withholding attorneys' fees that it is owed under an oral agreement to equally split fees. The underlying suits involved settlements reached with GlaxoSmithKline, over risks associated with diabetes drug Avandia, and TXI, regarding toxic exposure from cement manufacturing facilities, according to a complaint filed in California Superior Court on March 29.

The firm said it sent Girardi a letter in September offering to settle the fees dispute for about \$5.9 million. Girardi responded with a counter offer of \$4.4 million, which Gruber accepted. However, on Oct. 5, Girardi repudiated the settlement agreement, according to the complaint.

Gruber claims that various suits, including one **filed Feb. 23** accusing Girardi of employing various tactics to misallocate a portion of a \$130 million settlement it secured on behalf of Lockheed Martin Corp. employees in a chemical exposure class action, reveal the way in which the firm takes more than its fair share of settlements.

"Based on other publicly filed lawsuits against defendants, defendants' modus operandi is to conceal from their clients and joint counsel the settlement agreements and terms to help facilitate defendants' misallocation and misappropriation of the settlement funds," the 14-page complaint states.

Gruber is suing for breach of contract for the out-of-court settlement and also breach of the oral agreement to split fees, the suit said. In addition, the firm is looking to recover the entire amount of fees it's owed for the two cases and seeks an accounting of the settlement amounts received by Girardi Keese.

Founding partner Tom Girardi told Law360 on Friday that the two cases have not been completely resolved yet.

"They apparently thought a lawsuit would be better than their upholding their obligation to pay their share of the costs," said Girardi. "We have not even resolved these cases. Money cannot be distributed until that occurs."

Representatives for the other parties did not immediately respond to requests for comment Friday.

**On Tuesday**, Girardi Keese told a California federal court that the statute of limitations bars the suit accusing it of charging excessive fees in the Lockheed settlement.

Gruber & Gruber is represented by James W. Spertus and Ezra D. Landes of Spertus Landes & Umhofer LLP.

Counsel information for Girardi Keese was not immediately available.

The case is Gruber & Gruber et al. v. Thomas V. Girardi et al., case number BC615458, in the Superior Court for the State of California, County of Los Angeles.

--Additional reporting by Aebra Coe. Editing by Philip Shea.

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