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Ex-Client Accuses Greenberg Traurig Of Malpractice

By Megan Stride

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Law360, New York (June 21, 2011) -- A former client hit Greenberg Traurig LLP (/firms/greenberg-traurig) with a \$4 million malpractice suit in New York state court on Monday alleging the firm overcharged him for legal services and then improperly dropped his representation in shareholder derivative litigation.

Philip Notaro Jr. says the firm's poor work cost him between \$4 million and \$8 million in the underlying litigation, and that Greenberg Traurig also breached its retainer agreement by overcharging him \$300,000.

"We are confident that the firm's conduct in this representation was proper, and that claims to the contrary will be proven meritless," Greenberg Traurig spokeswoman Lourdes B. Martinez told Law360 on Tuesday.

According to the suit, Greenberg entered into a retainer agreement with Notaro in October 2007 under which the firm agreed to one phase of claims and litigation cost assessment to be followed by a phase of litigation work. The plaintiff claims he paid the firm \$30,000 in retainer fees in connection with that deal.

Once it had scooped up those fees, Greenberg Traurig made "express, knowingly false and fraudulent assurances" to Notaro that the litigation phase would be successful, and that the cost of that litigation would not exceed \$500,000, according to the complaint.

Despite those assurances, the firm "embarked on a pattern of excessive, fraudulent billing" of Notaro, exceeding the agreed-upon budget by more than \$300,000 and then improperly dropping his case, Notaro said.


The case at issue was a consolidated derivative suit lodged in New Jersey state court on behalf of Dependable Air Freight & Forwarding Co. LLC, according to Monday's complaint. One of the originating cases was brought by Notaro, and the other originating case was brought by another person on behalf of Dependable Air against Notaro, the immediate suit said.


Notaro alleges that in September 2009, the firm improperly withdrew its representation of him under false pretenses after crafting a \$525,000 settlement agreement in the derivative action that proved to be "absolutely worthless," thanks to the firm's malpractice.

Among other alleged slip-ups, Notaro claims Greenberg Traurig also gave him shoddy advice in connection with his deposition in that case, leading him to be hit with a \$20,000

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Top News

House Passes Bill To Ease Offshore Drilling Review (/topnews/articles/253033/house-passes-bill-to-ease-offshore-drilling-review)

The U.S. House of Representatives approved a bill Wednesday that would loosen standards for obtaining offshore drilling permits from the Environmental Protection Agency and open outer continental shelf lands to oil and gas exploration.

Winklevoss Twins Drop Fight Over \$65M Facebook Deal (/topnews/articles/253291/winklevoss-twins-drop-fight-over-65m-facebook-deal)

The founders of ConnectU Inc. told the Ninth Circuit on Wednesday that they would not ask the U.S. Supreme Court to review a decision upholding a 2008 settlement with Facebook founder Mark Zuckerberg for a reported \$65 million in cash and stock.

Qantas, Rolls-Royce Reach \$101M Deal Over Faulty Engine (/topnews/articles/253059/qantas-rolls-royce-reach-101m-deal-over-faulty-engine)

Qantas Airways Ltd. announced Wednesday that Rolls-Royce Group PLC had agreed to a settlement worth AU\$95 million (US\$101 million) in a dispute in Australia over an engine defect that forced a Qantas plane to make an emergency landing in Singapore.

New York

Ecuadoreans Ask 2nd Circ. To Stay Chevron Case (/newyork/articles/253269/ecuadoreans-ask-2nd-circ-to-stay-chevron-case)

Ecuadorean plaintiffs who won an \$18 billion judgment against Chevron Corp. asked the Second Circuit on Tuesday to stay a scheduled New York trial on the quality of that country's legal system, saying that case was premature.

US Fire Wins Coverage Battle Over Fake Madoff Profits (/newyork/articles/253248/us-fire-wins-coverage-battle-over-fake-madoff-profits)

A New York judge ruled on Wednesday that two investment vehicles could not receive insurance coverage for fake profits they lost in Bernard L. Madoff's massive Ponzi scheme, which they sought from U.S. Fire Insurance Co.

Hilton, Others Fight Jefferies Fee In MSR Ch. 11 (/newyork/articles/253228/hilton-others-fight-jefferies-fee-in-msr-ch-11)

A Hilton Hotels Corp. unit and two Singapore government funds objected Tuesday to a proposed \$1.15 million fee to financial adviser Jefferies & Co. Inc. in the New York bankruptcy of Paulson & Co. Inc.-owned luxury hotel operator MSR Resort Golf Course LLC.

Securities

sanctions order.

The plaintiff is accusing Greenberg Traurig of breaching its contract by overbilling him and committing negligence and legal malpractice. He is seeking damages exceeding \$4 million, interest and attorneys' fees and costs.

Greenberg Traurig has faced other legal malpractice claims in recent years.

Along with one of its partners, the firm is currently facing an Arizona malpractice suit brought by ML Servicing Co. alleging that Greenberg Traurig's negligence cost the mortgage servicing company hundreds of millions of dollars in losses.

That suit alleges the firm and Phoenix-based corporate shareholder Robert S. Kant knew that Radical Bunny LLC was running afoul of securities laws as it raised some \$140 million to invest in loans originated by ML Servicing, which was created in the bankruptcy of its predecessor, Mortgages Ltd.

In April, four managers of Radical Bunny were ordered by a federal judge to pay \$3.7 million for U.S. Securities and Exchange Commission (/agencies/securities-and-exchange-commission) claims that they offered unregistered securities.

Greenberg Traurig is also currently embroiled in a \$100 million patent malpractice suit in New York brought by Leviton Manufacturing Co. Inc.

Leviton alleges the firm and several partners dropped the ball on five patent applications, causing the company to lose proper coverage for its inventions and leading to widespread infringement.

Notaro is represented by Jacques Catafago of The Catafago Law Firm PC.

Outside counsel information for Greenberg Traurig, if any, was not immediately available.

The case is Notaro v. Greenberg Traurig LLP, case number 107159-2011, in the Supreme Court of the State of New York, County of New York.

--Additional reporting by Pete Brush and Leigh Kamping-Carder. Editing by John Williams.

US Fire Wins Coverage Battle Over Fake Madoff Profits (/securities/articles/253248/us-fire-wins-coverage-battle-over-fake-madoff-profits)

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Anadarko Investor Suit Over BP Spill Gets The Boot (/securities/articles/253141/anadarko-investor-suit-over-bp-spill-gets-the-boot)

A Texas state judge on Monday tossed an Anadarko Petroleum Corp. shareholder's suit against the oil and gas company's officers and directors over potential liability for the Deepwater Horizon spill.

Amtrak Dodges Claims It Cheated Shareholders (/securities/articles/253207/amtrak-dodges-claims-it-cheated-shareholders)

An Ohio federal judge on Wednesday dismissed a suit alleging Amtrak broke its duty to shareholders by failing to redeem \$52 million in stock at fair market value, ruling that the plaintiff wasn't entitled to bring the claims.