



STERLING ANALYTICS

Sterling Analytics Group, LLC
135 Crossways Park Drive
Woodbury, NY 11797
(646) 863-9433
info@sterlinganalytics.com

www.sterlinganalytics.com

Court Reduces Attorney's Fee Request by Nearly \$50,000 Due to Block Billing and Travel Time

In *Kearney v. Auto-Owners Insurance Company*, the District Court for the Middle District of Florida reduced a defendant's fee request by \$49,198. While the court did not agree with the plaintiff that the requested fee of \$258,883.50 was "patently excessive and clearly unreasonable on its face," it did find that a number of specific entries reflected improper billing practices. As a result, the court reduced the requested fee to \$209,685.50.

Because the defendant sought a significant amount in attorney's fees for only two months of work, the plaintiff's attorney argued that a 60% across-the-board reduction was necessary. However, the court found that the trial was fairly complex, involving 200 exhibits and numerous expert witnesses. Therefore, instead of applying an across-the-board reduction to the entire fee application, the court evaluated each individual billing entry and reduced the fees where the defendant's attorneys engaged in improper billing practices. First, the court found that the defendant's attorneys engaged in block-billing. Unable to determine the amount of time spent on each task, the court significantly reduced the requested fees. In some instances, the court eliminated an entire block-billed entry from the fee request.

Additionally, the court found that many of the entries relating to travel time were vague. Specifically, it could not distinguish the amount of time the attorneys spent working while traveling and how much time was spent on mere traveling. Therefore, although the attorneys claimed they worked during time spent traveling, the court could not determine if this time was reasonable, and thus further reduced the requested fees.

Implications for Legal Billing: Block-billed entries make it difficult for a client to determine the reasonableness of the attorney's fee. When attorneys engage in block-billing by including multiple tasks in one

“[E]VEN THE MOST INDUSTRIOUS ATTORNEY CANNOT WORK THE ENTIRE TIME WHILE TRAVELING.”

time entry, it is nearly impossible to determine the amount of time spent on each separate task. “While attorneys cannot be expected to account for every second of their time, they should be expected to explain in discrete entries the nature of the work that they want a client . . . to pay them hundreds of dollars to perform.”

“would need to put down his papers while driving, boarding a flight, and walking through airport security.”

*Kearney v. Auto-Owners Insurance Co., 713 F.Supp.2d 1369 (M.D. Fla. 2010). Full copies of court decisions may be available through counsel or through various Internet links or paid services.

By Laura R. Bugdin

Furthermore, the court seems to be indicating that, if an attorney bills for time spent performing tasks while traveling, the billing entries should state both the time spent working as well as the time spent traveling. Without this information, it is difficult to determine whether the time expended by the attorney was reasonable. As the court noted, “[e]ven the most industrious attorney cannot work the entire time while traveling.”
An attorney flying between cities

Sterling Analytics is a consulting and advisory firm that helps companies reduce their legal expenses. Our proven methodologies are based on legal precedent, guidelines and ethical standards that compel law firms to significantly modify improper billing practices. Although our clients come from a broad range of industries with different legal budgets, they share a concern about their legal expenses and are looking for solutions to manage outside counsel while maintaining the highest service level standards. We are able to audit legal fees based on our extensive database of proprietary benchmark data and our solid understanding of traditional legal practices. Our process is fair, independent, cost effective and maintains attorney-client privilege. We are able to measure the extent to which our clients' legal expenses exceed industry standards, and will manage the negotiation and recovery of excessive fees. To institutionalize cost controls, we assist clients by installing systems and protocols that monitor billing activity and catch improper practices.

Sterling Analytics Group, LLC
135 Crossways Park Drive
Woodbury, NY 11797
(646) 863-9433
info@sterlinganalytics.com

© 2011 Sterling Analytics Group, LLC.
All Rights Reserved.

www.sterlinganalytics.com