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LEGAL COST REDUCTION ADVISOR

Court Reduces Fee Request by Nearly \$190,000, Finding Travel Time, Block-Billed, Redundant and Unnecessary Time Entries

In a recent decision from the Superior Court of Connecticut, the court reduced the plaintiff's request for attorneys' fees by nearly 30 %. After prevailing on a number of unfair trade practice claims against the defendant, the plaintiff moved for an award of attorneys' fees pursuant to a Connecticut statute. The plaintiff's motion requested \$635,332.93 in attorneys' fees for services rendered by two law firms, a New Mexico law firm acting as lead counsel and a Connecticut law firm acting as local counsel.

The court found that, at first glance, the number of entries contained in the billing records did not seem excessive. The court also noted that the case was of a complex nature and was highly contested. The matter involved ten days of trial, pretrial motions and hearings, and discovery controversies. Although it found that the time spent by counsel was warranted, "the court is bound to review the claimed fees as to their reasonableness."

The defendant first disputed the travel time contained in the plaintiff's attorneys' billing records. The defendant argued that according to both state and federal law, it is common practice for courts to reduce travel time by 50%. The court agreed and reduced each counsel's travel time by half. The New Mexico law firm charged \$86,994.50 in travel time, which the court reduced to \$43,472.25. Local counsel's travel time was reduced from \$9,780 to \$4,890.

Next, the defendant argued that local counsel's billing entries were blockbilled, a billing practice where several tasks are lumped together in one time entry. Because the court was unable to determine the amount of time devoted to each task, the court reduced the local counsel's fee request by 10%.

The court then addressed the issue of redundancy and overstaffing. The defendant pointed out that plaintiff's local counsel, a senior partner, billed his full hourly rate during trial for tasks that involved "keeping track of and operating the electronic document system for trial exhibits" resulting in redundant and unnecessary fees. Additionally, numerous entries were identified where lead counsel and local counsel both billed for participating in internal conferences, telephone calls, and emails. Although the court stated that some redundancy is inescapable where multiple law firms are involved in one case, it found that a 20% reduction was necessary in this case.

IT IS COMMON PRACTICE FOR COURTS TO REDUCE TRAVEL TIME BY 50%

Implications for Legal Billing: The court in this case found that a reduction in travel time by 50% was reasonable. This is consistent with many court decisions concerning travel time. Where an attorney is merely traveling and not performing legal services, he or she should not charge their full hourly rate. However, where an attorney performs legal services while traveling on behalf of a client, courts generally allow the attorney to charge his or her full hourly rate.

The court applied a 10% reduction to account for local counsel's block-billed time entries. Courts typically apply a percentage reduction to billing records containing block-billed time entries, ranging from 10 to 20 percent. A percentage reduction is warranted in these instances because block-billed time entries make it impossible for the court to determine the amount of time spent on each distinct task. Without knowing the time that was devoted to each task, the court cannot easily determine whether or not the fee is reasonable.

It is also common for courts to

reduce a fee request where it appears that the staffing of multiple attorneys on the case resulted in duplication of work, redundancy, or overstaffing. In this case, the court found that internal conferences and emails between lead counsel and local counsel resulted in excessive and redundant billing. Moreover, the defendant argued that the senior partner's task of maintaining the electronic document system during trial resulted in redundant and unnecessary fees. Not only did this task result in redundant fees, the task also seems overgualified for a senior partner charging his full hourly rate since it would typically be performed by a paralegal. If a paralegal was not available to attend the trial, the senior partner's hourly rate should have been reduced to a paralegal's hourly rate. However, the court applied a 20% reduction to these fees, which resulted in a significant decrease in the fees awarded to the plaintiff.

* W. Dermatology v. Vital Works, 2011 WL 6271257 (Conn. Super. 2011). Full copies of court decisions may be available through counsel or through various Internet links or paid services.

By Laura R. Bugdin

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.

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