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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ROYAL ALLIANCE ASSOCIATES, INC.,

Plaintiff,

v.

HENRY T. MORA, et al.,

Defendants.

Case No. 15-cv-03706-JST

**ORDER GRANTING AMENDED
MOTION FOR ATTORNEYS' FEES**

Re: ECF No. 41

Before the Court is Respondents' Motion for Attorneys' Fees, ECF No. 41, filed pursuant to this Court's order granting them post-arbitration attorneys' fees in connection with their defeating Petitioner's motion to vacate the arbitration award, ECF No. 38. Petitioner has opposed the motion for attorneys' fees. ECF No. 42. The Court will grant Respondents' motion.

I. BACKGROUND

This case concerns two joined disputes between Royal Alliance, a brokerage firm, and its former clients Michele R. Lewis ("Lewis"), Henry T. Mora ("Mora"), and Lionel Gonzalez ("Gonzalez" collectively with Lewis and Mora "Respondents"), for breach of fiduciary duty and negligent supervision. Pursuant to Royal Alliance's customer agreements, the disputes were required to be submitted to arbitration before a FINRA (The Financial Industry Regulatory Authority) panel. ECF No. 25 at 6. In their claims, Respondents, inter alia, alleged: (1) Royal Alliance's registered representatives recommended unsuitable securities investments for Respondents, and (2) Royal Alliance breached its contracts with Respondents by failing to properly supervise its representatives. *Id.* at ¶ 6, 8. Respondents sought attorneys' fees in both claims. *Id.* On September 5, 2014, Respondents filed a motion before the Mora/Gonzalez panel, requesting to join the Lewis Arbitration to the Mora/Gonzalez Arbitration. ECF No. 1 at ¶ 11. Royal Alliance opposed the motion. *Id.* at ¶ 12. On October 21, 2014, the Mora/Gonzalez panel

1 granted Respondents’ motion, and consolidated both arbitrations before the Mora/Gonzalez panel.
2 Id. at ¶ 14.

3 On July 15, 2015, the Mora/Gonzalez panel awarded Respondents compensatory damages
4 of \$1,085,456, punitive damages of \$75,000, attorneys’ fees of \$184,000, and costs of \$57,231.05.
5 Id. at ¶ 26.

6 Royal Alliance filed a petition to vacate the arbitration decision in this Court on August 13,
7 2015. ECF No. 1. They argued that the consolidation of both arbitrations was improper because
8 the cases should have been consolidated before the lower-numbered Lewis panel rather than
9 before the higher-numbered Mora/Gonzalez panel. Id. at ¶¶ 28-29. They also challenged the
10 award of attorneys’ fees.

11 On March 10, 2016, this Court denied Royal Alliance’s petition to vacate the arbitration
12 award and granted Respondents’ cross-motion to confirm the arbitration award as well as its
13 motion for post-arbitration attorneys’ fees. ECF No. 38. As ordered, Respondents filed their
14 motion for attorneys’ fees on March 24, 2016. An amended motion was later filed, as approved
15 by the Court, on April 7, 2016. ECF No. 41. Although there is some dispute over the exact
16 sequence of events leading to this, Respondents assert that subsequent to the filing of their motion,
17 Royal Alliance sought to meet and confer over Royal Alliance’s objections to the motion. Id. at 2.
18 The parties met and conferred, and “as an attempt to resolve the disputes in good faith,”
19 Respondents submitted their amended motion with a reduced request for attorneys’ fees. Id.

20 Royal Alliance nevertheless opposed the amended motion. ECF No. 45. They assert that
21 the requested attorneys’ fees should be cut in half, and contend that they are further entitled to
22 their own attorneys’ fees for successfully opposing this motion. Id.

23 **II. DISCUSSION**

24 “Federal courts in diversity cases apply state law with regard to the granting or denying of
25 attorneys’ fee recovery.” Good Earth Corp. v. M.D. Horton & Associates, No. C-94-3455-CAL,
26 1997 WL 702297, at *2 (N.D. Cal. Aug. 4, 1997) (citing to Kabatoff v. Safeco Ins. Co. of
27 America, 627 F.2d 207, 209-10 (9th Cir. 1980)). “California affords its trial courts broad
28 discretion to consider a wide number of factors in determining the reasonableness of attorneys’

1 fees.” Id. at *3 (citation omitted). “For example, the court may consider the nature and difficulty
2 of the litigation, the skill required and the skill employed in handling the litigation, the success of
3 the attorney's efforts, the attorney's experience in the particular type of litigation, and the amount
4 of time required.” Id.

5 Here, Respondents have requested \$94,301.75 for litigating the cross-petitions on the
6 arbitration award (reduced from the original request of \$98,672.50). They also request attorneys’
7 fees for litigating this motion, bringing their total request to \$102,857.75. ECF No. 47 at 6.

8 Royal Alliance requests that this amount be cut in half, offering two reasons why the
9 requested amount is unreasonable. Neither is persuasive. First, Royal Alliance argues that the
10 amount of time that Respondents’ counsel billed for working on their Motion for Attorneys’ Fees,
11 Cross-Petition and Opposition to the Petition to Vacate, and their Reply in Support of their Cross-
12 Petition is excessive. ECF No. 45 at 6-8. They compare this case to two cases, ValueSelling
13 Associates, LLC v. Temple, No. 09-CV-1493-JM AJB, 2011 WL 5025157, at *3 (S.D. Cal. Oct.
14 21, 2011) and Latinamerican Theatrical Grp., LLC v. Swen Int'l Holding, No. 2:13-CV-01270-
15 CAS, 2013 WL 5563749, at *2 (C.D. Cal. Oct. 7, 2013),¹ and contend that because both of these
16 cases also dealt with petitions to vacate arbitration awards but involved far lower awards of
17 attorneys’ fees to the prevailing parties, Respondents’ request for fees here is comparatively too
18 large. ECF No. 4-6.

19 Royal Alliance’s argument appears to be, in other words, that because two courts in other
20 districts awarded a certain amount in attorneys’ fees for post-arbitration litigation, no other court
21 should award more than those amounts. The argument collapses under its own weight. Further,
22 Respondents astutely point out that Royal Alliance has, in the same brief in which it argues that
23 Respondents’ request for \$94,301.75 is excessive, also requested the sum of \$20,775 solely for
24 ostensibly defeating Respondents’ original motion for attorneys’ fees.² ECF No. 45 at 13. Royal
25

26 ¹ Both Royal Alliance and Respondents have filed requests for judicial notice asking that the Court
27 take judicial notice of filings in other cases that also involve attorneys’ fees. ECF Nos. 46, 48.
28 Because these documents are available on public record, both requests for judicial notice are
granted. See Lee v. City of Los Angeles, 250 F.3d 668, 688-89 (9th Cir. 2001).

² Royal Alliance’s reasoning for this request is that it “prevailed” on the original motion for
attorneys’ fees because Respondents filed an amended motion for a reduced amount. ECF No. 45

1 Alliance cannot persuasively argue that Respondents’ requested fees for the entirety of this
2 litigation is unreasonable while simultaneously requesting approximately a fifth of that amount
3 merely for opposing Respondents’ fee requests.

4 Second, Royal Alliance argues that Respondents have unreasonably billed for clerical and
5 administrative tasks, such as intra-office conferences, creating a table of contents and table of
6 authorities, final review of briefs, and verifying case citations. ECF No. 45 at 12. Royal Alliance
7 argues that because these tasks are clerical or administrative, Respondents may not recover fees
8 for them. Id.

9 This contention also is unpersuasive. Verifying the accuracy of legal citations is not
10 “clerical work” and is, in fact, often best done by lawyers. The same may be said for conducting a
11 final review of a brief before submitting it for a court’s consideration on behalf of one’s client.
12 These tasks could not have been completed by a non-attorney administrative assistant. See Davis
13 v. City & Cty. of San Francisco, 976 F.2d 1536, 1543 (9th Cir. 1992), opinion vacated in part on
14 other grounds, 984 F.2d 345 (9th Cir. 1993) (describing “clerical or secretarial tasks” as “tasks
15 that a non-attorney employed by her could perform at a much lower cost”). As for intra-office
16 conferences, Respondents note in their Reply that they were billed only in relation to one
17 attorney’s time spent at the conferences, and that they were conducted because another partner at
18 Respondents’ counsel’s firm had completed additional research into the arbitration issues. ECF
19 No. 47 at 11. Respondents further note that no other fees were billed for this additional research.
20 Id. Royal Alliance declares this explanation to be “self-serving” but beyond this, fails to articulate
21 why it should not be accepted. ECF No. 45 at 12.

22 Accordingly, the Court concludes that Respondents’ requests for attorneys’ fees is
23 reasonable.

24 CONCLUSION

25 Respondents’ motion for attorneys’ fees is granted. Respondents shall be awarded
26 attorneys’ fees in the amount of \$102,857.75.

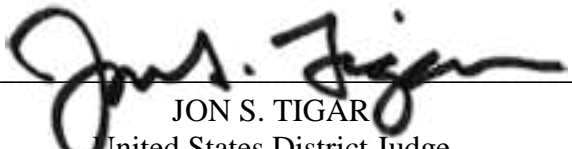
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28 at 13. This argument is implausible. Royal Alliance’s request for attorneys’ fees is denied.

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Respondents are ordered to serve a proposed form of judgment on Petitioner within five court days of the date of this order’s issuance. Petitioner shall either sign the proposed judgment, indicating their agreement only as to form, or provide written objections to the form of judgment, within five court days. Within five court days thereafter, Respondents must file either an approved form of judgment, or a proposed form of judgment, a copy of Petitioner’s objections, and a written response. The objections and response may be no longer than three pages each.

IT IS SO ORDERED.

Dated: June 16, 2016



JON S. TIGAR
United States District Judge