

1 UNITED STATES DISTRICT COURT  
2 DISTRICT OF PUERTO RICO

3 UNITED STATES OF AMERICA

4 Plaintiff,

5 v.

6 ONE RURAL LOT IDENTIFIED AS  
7 FINCA #5,991, LOCATED IN BARRIO  
8 PUEBLO, HATILLO, PUERTO RICO,  
9 et al.,

10  
11 Defendants.

Civil No. 06-1960 JAF)

(Related to Crim. No. 03-361)

12 **ORDER**

13 There is pending before the court the entry of a formal  
14 disposition regarding a legal dispute involving a claim for  
15 attorney's fees by previous counsel for claimants. See Docket  
16 Document Nos. 112-117, 189-190, and 205-206.

17 On April 23, 2007, we held a hearing and received evidence. See  
18 Minutes of Proceedings for the date April 23, 2007, Docket Document  
19 No. 59. Today we reiterate our finding of April 23, 2007. Previous  
20 counsel shall not recover any legal fees, because they entered into  
21 a settlement agreement without proper authorization, misrepresenting  
22 to the court the facts surrounding that settlement. See Transcript  
23 of Proceedings, Docket Document No. 88.

24 On that occasion, starting at page 22 of the transcript, we  
25 found that the settlement reached by counsel was not valid. It was

1 not authorized. We further found that the intervention of counsel in  
2 the settlement process as depicted in the transcript was, to say the  
3 least, questionable from an ethical point of view. See ABA Model  
4 Rules of Professional Conduct, Rule Group 1: Client-Lawyer  
5 Relationship. The transcript confirms that previous counsel's  
6 dealings with their clients and representations to not only their  
7 clients but also to the court do not merit any *quantum meruit*  
8 consideration.

9 Therefore, previous counsel shall not recover any legal fees  
10 under the professional services contract upon which they have  
11 established a claim for legal fees. The history of this case after  
12 the original settlement was vacated by this court confirms that new  
13 counsel had to start the process toward case disposition anew,  
14 devoting substantial time and effort to eventually reach a settlement  
15 of the various competing claims.

16 The Notices of Liens for Attorney's Fees contained in Docket  
17 Document Nos. 112 to 117, inclusive, are **DENIED**. The content of  
18 Docket Document Nos. 189-190 and 205-206 is **NOTED**.

19 **IT IS SO ORDERED.**

20 San Juan, Puerto Rico, this 19<sup>th</sup> day of December, 2008.

21 S/José Antonio Fusté  
22 JOSE ANTONIO FUSTE  
23 Chief U. S. District Judge