THE CLAY AWARDS recognize California lawyers whose recent work has made a significant impact. This year, the 62 winners hail roughly equally from big law; small firms and solo practices; and public interest law, including nonprofits and state and federal prosecutors’ offices. The 2015 awards identify 27 achievements in 17 categories—from appellate practice to water law—between November 2013 and November 2014.

Fourteen of the awards involve cases that reached appellate courts: California’s Second and Fourth appellate districts; the California Supreme Court; the Ninth, Fifth, Second, and Federal circuits; and the U.S. Supreme Court.

Congratulations to all the winners!
Fisher, a professor at Stanford Law School and co-director of its Supreme Court Litigation Clinic, gained the year’s most significant victory for the right to privacy in *Riley v. California* (134 S. Ct. 2473 (2014)). The ruling bars warrantless searches of arrestees’ cell phones, which California’s Supreme Court and circuit courts elsewhere had upheld. Representing a San Diego man whose attempted-murder prosecution and conviction stemmed largely from text, photos, and video that police found on his smartphone after a traffic stop, Fisher got the justices to see cell phones as troves of uniquely personal information—distinct from other physical objects. The Court observed in its unanimous decision that a search of a pocket-size phone typically reveals “far more than the most exhaustive search of a house.” The ruling could assist a pending challenge to the National Security Agency’s mass surveillance of phone records.

**ADDITIONAL CALIFORNIA LAWYERS:** Donald B. Ayer of Jones Day; and Pat Ford (sole practitioner).

**STATUS:** Proceedings are under way to determine whether David Riley receives a new trial.

Orange persuaded the Ninth Circuit to recognize, for the first time, a survivor’s right to damages for the pain and suffering experienced before death by the victim of a lethal federal civil rights violation. After Los Angeles police shot and killed a 21-year-old Pakistani-American man who was severely autistic—and staff at the coroner’s office failed to notify his family for 21 days—Orange sued the city, police, and coroner for civil rights violations and negligence. At trial, a jury awarded $700,000 for the parents’ loss of companionship following the man’s wrongful death and $1 million in damages for the man’s pre-death pain and suffering. When the judge struck the latter, Orange appealed on several grounds and won. Students from USC’s undergraduate Trial Advocacy Program, which Orange started and runs, helped with research.

**ADDITIONAL CALIFORNIA LAWYERS:** Donald W. Cook of Mann & Cook.

**STATUS:** Continuing litigation addresses the size of the award and the parents’ claim for other damages.

### Civil Rights

Kristen, Witkow, Kim (now with the Employment Law Center), and Barker (now with City Employees Associates) won a landmark Ninth Circuit ruling that helps level the playing fields for girls and boys in high school. Title IX of the Education Amendments of 1972 prohibits sex discrimination by schools that receive federal aid. The class action the team filed in 2007 against the Sweetwater Union High School District in Chula Vista was rare in alleging violations of Title IX at the K–12 level, as opposed to college. The plaintiffs claimed Sweetwater’s programs and facilities for girls had less desirable coaching, recruiting, training, equipment, scheduling, and publicity than those for boys. They also claimed that, after parents and students complained, the school administration fired the girls’ beloved and experienced softball coach. The district court mandated a compliance plan, and the Ninth Circuit affirmed its findings of unequal treatment, benefits, and opportunities for sports participation.

**ADDITIONAL CALIFORNIA LAWYERS:** John F. Libby and Joanna S. McCallum of Manatt Phelps; Robert E. Bolton and Kim Turner of the Employment Law Center.

**STATUS:** The school district had until late February to petition the U.S. Supreme Court for certiorari.
Pipkin and Peek completed the first successful challenge to the secret federal no-fly list for airline passengers. District Judge William Alsup dismissed the case twice. On the second remand he ruled, after a bench trial, that the government had placed Stanford PhD candidate Rahinah Ibrahim on the list erroneously, in violation of her due process rights. Alsup found that an FBI agent had accidentally checked the wrong box on a form, and the judge then ordered Ibrahim’s name purged from the no-fly list. That ruling put the first serious legal dent in the list and cleared the way for an order in June in district court in Oregon requiring the TSA to make it easier to challenge the list (Latif v. Holder, 28 F. Supp. 3d 1134 (D. Or. 2014)). Alsup also ruled in January 2014 that the U.S. government violated Ibrahim’s rights by refusing to tell her in 2013 why she still was denied a visa. However, last April Alsup upheld the latest visa denial—even after the government revealed it was citing subsections of the same code sections it had cited in 2009.

Additional California Lawyers: Marwa M. Elzankaly led the case for most of 2006–12; Rubina H. Kazi, James McManis, and Jennifer H. Murakami of McManis Faulkner.

Status: Ibrahim, who now runs a graduate studies program in her native Malaysia, has been unable to return to the United States since 2005.

This team secured a unanimous California Supreme Court decision addressing the use of surveys, sampling, and statistics to evaluate whether a trial plan satisfies due process for class certification. (Duran v. U.S. Bank Nat’l Ass’n, 59 Cal. 4th 1 (2014).) The wage-and-hour case, first filed in 2001, concerned the designation of certain bank officers as “outside salespeople” who are exempt from state overtime laws. To represent the class of 260 plaintiffs, the trial court allowed testimony from 21, but not all were randomly selected. And in the absence of time records, the court calculated damages based on a statistical model that had a 43-percentage-point margin of error. The Supreme Court rejected the certification, overturned the damages award, and held that the trial court’s case management violated the bank’s due process rights. The justices cautioned trial courts to develop statistical methods and plans for proof early on—preferably before a class is certified.

Status: Remanded. A hearing has been set on class certification.

Pell won convictions of 53 individuals—including lawyers, tax preparers, and customers—in a single tax fraud scheme. He had seen his share of scams, but these defendants told their customers they could tap into a secret government account for refunds because the United States is actually owned by England. In some cases, they asserted that the United States is a private company. After an IRS agent showed Pell a fraudulent claim for a $770,000 refund in 2009, he dispatched investigators in “Operation Stolen Treasures.” The two companies involved in the scheme—Old Quest Foundation, and De la Fuente and Ramirez and Associates—allegedly sought more than $250 million in bogus refunds on behalf of more than 400 claimants. The IRS paid some erroneously, including one for about $1.2 million. In all, Pell tried seven jury cases in one year.

Additional California Lawyers: Assistant U.S. Attorneys Sandy N. Leal, Joshua M. Robbins, and James C. Hughes.

Status: Numerous defendants have appealed.
Estrada, now of counsel with Munger, Tolles & Olson, led a team that won convictions of more than 90 Southern California associates of the criminal organization known as Armenian Power. The defendants either pleaded guilty to or were convicted at trial on extortion, kidnapping, racketeering, bank fraud, and other charges. In one scheme, the prosecutors showed, the defendants used skimming devices to steal debit-card information from more than 2,000 customers of 99 Cents Only Stores. The leader of the scheme was sentenced in November to 32 years in prison. Also convicted was a federal court clerk (with her husband) for leaking documents to Armenian Power members.


STATUS: Numerous defendants have appealed to the Ninth Circuit.

Thanks to Naiman and O’Connor, a woman who served 17 years in prison for a murder she did not commit was released and found factually innocent. In 2013–14 O’Connor researched the case of Susan Mellen, a mother of three convicted in a man’s 1997 bludgeoning death based on the testimony of a witness with a long history of giving false tips to police. After O’Connor contacted the Los Angeles District Attorney’s postconviction litigation team, Naiman dug into the case for nine months and determined that the testimony incriminating Mellen was “doubtful.” O’Connor then filed a habeas motion, and Naiman asked the court to grant it and set aside the conviction. Research by interns from Southwestern Law School helped lead to the determination that Mellen was factually innocent.

STATUS: Resolved. Mellen was freed in October.

Crockett (now with Crockett & Associates), Rosenbaum (now with Public Counsel), and Price won a Los Angeles Superior Court finding that more than 20,000 public school students across the state were being denied the instruction they need to learn English. California law requires the state to ensure educationally sound, adequately resourced, and effective schooling for English learners, and federal law requires states to help students surmount “language barriers.” On behalf of three students in Compton, their parents, and a former teacher, the legal team claimed the California Department of Education, the state Board of Education, and others had ignored 16 years of data that showed they were failing to provide adequate language instruction. The finding prompted districts across California to offer more students English training.

ADDITIONAL CALIFORNIA LAWYERS: Bryn M. McDonough and Faraz R. Mohammadi with Latham; Benjamin T. Conway with Public Counsel; and David Sapp with ACLU of Southern California.

STATUS: The state has appealed.
Education

Boutrous, McRae, and their team won a Los Angeles Superior Court ruling invalidating California’s teacher tenure and job dismissal statutes. The case, Vergara v. California, prompted discussion about reforming teacher job protections in the Education Code and encouraged similar challenges nationwide. On behalf of nine California public school students, the attorneys claimed five code provisions concerning teacher tenure, dismissal, and layoffs violate students’ rights to an equal and adequate education. They argued that the laws let “grossly ineffective teachers” get jobs and keep them, and that rules based on them cause schools serving low-income and minority students to be disproportionately assigned subpar teachers. Superior Court Judge Rolf M. Treu found that the statutes are defective because tenure decisions are made after less than 18 months on the job; dismissal procedures are complex, time-consuming, and expensive; and layoff rules improperly ignore teachers’ effectiveness.

ADDITIONAL CALIFORNIA LAWYERS: Joshua S. Lipshutz, Enrique A. Monagas, and Theane Evangelis with Gibson Dunn; and Kyle A. Withers, now with Lubin Olson & Niewiadomski.

STATUS: Judge Treu immediately stayed his ruling, and the state and unions have appealed.

Disability Rights

Glovsky and Gianelli secured a pair of settlements to compensate children with autism spectrum disorders who were denied insurance coverage for recognized treatments. Glovsky sued Blue Cross and Kaiser in 2008 and 2011, alleging they denied the plaintiffs’ claims in bad faith, in breach of contracts with the insureds, and in violation of California’s unfair competition law. Gianelli joined as co-lead counsel in 2010, and the cases were certified as class actions. The 2014 settlements reimburse families denied benefits for those therapies before the law took effect; any remaining funds will go toward autism research at the University of California. Blue Cross agreed to pay $4.6 million; Kaiser agreed to pay $9.3 million, provide speech therapy, and change its operations.

STATUS: Resolved.

Employment

Danas, Perez, and Wu won a high-profile ruling from the California Supreme Court that preserves the rights of employees to pursue wage claims in court under the state’s Private Attorney General Act, rather than through arbitration. The high court held that PAGA lawsuits are not preempted by the Federal Arbitration Act and cannot be removed from the court system by employer-mandated arbitration agreements. But it also held that those agreements are otherwise enforceable, a key ruling for employers that brought California jurisprudence in line with federal law. The case was filed in 2006 by limousine drivers claiming that CLS Transportation failed to compensate them for overtime and for meal and rest periods. (Ishianian v. CLS Transp. Los Angeles, 59 Cal. 4th 348 (2014).)

ADDITIONAL CALIFORNIA LAWYERS: Katherine W. Kehr of Capstone.

STATUS: The U.S. Supreme Court denied certiorari.
Larkin and co-counsel Lawrence led two major job-discrimination cases that won federal class certification even in the wake of the U.S. Supreme Court’s ruling in Dukes v. Wal-Mart; both cases culminated in favorable settlements in 2014. Lawrence filed the first, Parra v. Bashas, in 2002 against an Arizona grocery chain. A $6.5 million settlement on behalf of Hispanic workers who were paid less than their colleagues won preliminary approval in October. The other, Ellis v. Costco, filed in 2004, challenged a “glass ceiling” nationwide at the retailer that prevented women from advancing in management. A settlement approved in May provides $8 million for members of the class, and includes Costco’s commitment to significantly change how it selects managers. The Costco case involved a class of more than 1,300 women, and the Bashas case involved 12,000 workers.

ADDITIONAL CALIFORNIA LAWYERS: On Bashas, Sarah Varela of Davis Cowell; Michael Caesar of Lewis Feinberg; and Meredith Johnson of Impact Fund. On Costco, Bill Lann Lee and Lindsay Nako of Lewis Feinberg; Kelly M. Dermody and Daniel M. Hutchinson of Lieff Cabraser; Lisa J. Cisneros of California Rural Legal Assistance; and James M. Finberg of Altshuler Berzon.

STATUS: In Costco, trial is set for the claim of the named plaintiff. A hearing on final approval of the Bashas settlement is set for next month.

Hueston (now with Hueston Hennigan) led the national team of lawyers at Irell and at Kirkland Ellis that reached a $5.15 billion settlement for environmental cleanups, the largest ever to be included in a bankruptcy case. Across the country, wood-processing, uranium-mining, and rocket-fuel production companies owned by energy giant Kerr-McGee Corp. left behind devastating environmental damage. Ahead of the company’s acquisition by Anadarko Petroleum Corp., executives with both companies tried to evade responsibility for the harm by transferring liabilities to an insolvent shell company. Hueston was appointed by the DOJ as trustee of the Anadarko Litigation Trust. The parties settled after a 34-day trial in the Southern District of New York; Anadarko will fund cleanups in 47 states and provide $1 billion for the Navajo Nation to contain radioactive contamination from uranium mining.

STATUS: The settlement was approved in November.

Construction began on California’s first modern desalination plant, thanks to Garrett and his team. They represented plant developer Poseidon Water through the final five lawsuits brought by environmental groups attempting to block the project. Concerns centered on how intake pipes at the Carlsbad Desalination Project in San Diego County would affect marine life. The lawsuits ended with a California appellate court ruling in 2012. Garrett also negotiated with the San Diego County Water Authority for the sale of bonds to finance the plant and pipeline. When completed, the project will be the biggest in the Western Hemisphere, able to provide 50 million gallons of potable water per day.

ADDITIONAL CALIFORNIA LAWYERS: Paul N. Singarella, Jeffrey P. Carlin, Steven J. Levine, and Duncan Joseph Moore of Latham; Lauren Ross, now with Herring and Irwin in Austin; and Richard Zbur.

STATUS: Construction is to be completed in 2015, with service to begin next year.
Environment

The victory by Brian’s legal team on behalf of Transocean, the owner of an offshore drilling rig, may have major implications for the future of oil extraction in the Gulf of Mexico. Transocean owned the Deepwater Horizon platform, which it leased to BP for drilling. The 2010 explosion onboard triggered the worst marine oil spill in U.S. history. Brian argued in district court in New Orleans that the Transocean crew relied on safety assurances from BP officials. The court agreed in 2014 that Transocean was not grossly negligent, shielding it from punitive damages. By enforcing BP’s contract to indemnify Transocean, the court gave rig operators confidence that other indemnification contracts would be honored. Brian also represented Transocean in its agreement to pay $400 million to settle criminal charges and $1 billion to settle civil claims under the Clean Water Act.

**ADDITIONAL CALIFORNIA LAWYERS:** Susan E. Nash of Munger Tolles.

**STATUS:** Resolved. The Fifth Circuit declined to reconsider its ruling apportioning liability in the Deepwater spill.

Franchise Law

Sungaila and Kolar won a 4–3 ruling from the California Supreme Court that franchisors are not automatically liable for torts—in this case, sexual harassment—committed by the employees of their franchisees. The case involved a novel question that affects every franchisor in the state and that had been unresolved in the lower courts. Last August the two lawyers won a reversal in favor of their client, Domino’s Pizza, on the ground that no true employment relationship existed between Domino’s and the workers at the particular restaurant where the harm occurred. The workers were deemed to be under the day-to-day control of the franchisee, even though the franchisor dictated details of how the business was conducted. Kolar, trial counsel on the case, worked on the briefing with Sungaila, who handled oral argument.

**ADDITIONAL CALIFORNIA LAWYERS:** Jenny Hua at Snell & Wilmer; and Benjamin T. Runge at Kolar.

**STATUS:** Resolved.

Intellectual Property

Cook, Hutchins (now with Oracle), and Tadlock (now with Patagonia), representing Sidense Corp. in an infringement suit, helped make it easier for defendants to obtain attorneys fees in patent litigation. In December 2013 the Federal Circuit ruled in Kilopass Technology Inc. v. Sidense that district courts must consider “whether the totality of the circumstances” demonstrates that a plaintiff acted in bad faith. The court cited the failure to conduct an adequate pre-suit investigation, among other factors. The U.S. Supreme Court cited Kilopass last year in its Octane Fitness LLC v. Icon Health & Fitness Inc. opinion, holding that district courts may determine whether a case is exceptional and thus merits an award of attorneys fees. In August, District Judge Susan Illston, citing Octane, reversed her earlier decision denying Sidense attorneys fees.

**ADDITIONAL CALIFORNIA LAWYERS:** Sara B. Giardina and Barmak S. Sani of Kilpatrick Townsend.

**STATUS:** The amount of the fee award has not yet been set.
Immigration

This team won a class action settlement that ends the routine shackling of detainees during civil immigration hearings in San Francisco Immigration Court. The case was filed in federal district court in 2011 on behalf of adult detainees—including elderly and physically and mentally disabled people and those fleeing persecution and torture. At the court, which has one of the largest caseloads in the nation, all adult detainees had been shackled at the waist, wrists, and ankles—regardless of the risk they posed. Defendants included the Department of Homeland Security, Immigration and Customs Enforcement, and the Executive Office for Immigration Review. Under the settlement, individuals appearing for bond or merits hearings will be shackled only in emergencies. Detainees appearing for mass hearings still must wear restraints (though they may request special treatment). Iyengar is now a deputy city attorney in Berkeley.

**ADDITIONAL CALIFORNIA LAWYERS:** David J. Berger, Thomas J. Martin, Briza Sanchez, Philip K. Hwang, Jenny Zhao, Angie Young Kim, Analisa M. Pratt, and Audrey Daniel.

**STATUS:** Resolved.

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Intellectual Property

**DARALYN J. DURIE**
*Durie Tangri*
*San Francisco*

Durie won a landmark ruling for Google Inc. when a federal judge in New York found that scanning more than 20 million library books into an electronic database was fair use. The Authors Guild sued Google for infringement in 2005 over its digital copying of copyrighted books without permission of the rights holders. Judge Denny Chin ruled that Google's use of the works is highly transformative, as it turns text into a word index to help people find books; uses snippets to point users to a broad selection of books; and creates data for researchers. “Words in books are being used in a way they have not been used before,” Chin stated in his opinion.

**ADDITIONAL CALIFORNIA LAWYERS:** Joseph C. Gratz of Durie Tangri.

**STATUS:** The Author's Guild has appealed to the Second Circuit.

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Intellectual Property

**RICHARD L. STONE**
*Durie Tangri*
*San Francisco*

Stone, Gallegos, their team, and New York attorney Bruce Keller of Debevoise & Plimpton led a high-stakes battle against video streaming start-up Aereo Inc., winning a U.S. Supreme Court ruling in June on behalf of broadcasters. The Court found that Aereo was infringing broadcasters’ exclusive right to publicly perform their copyrighted works. It found Aereo’s system—servers, transcoders, and thousands of dime-size antennas that captured over-the-air TV signals and streamed them to subscribers—was not legally distinguishable from cable systems, which under a 1976 amendment to the Copyright Act must pay to retransmit TV broadcasts. Stone represented television producers and broadcasters including Fox Television Stations Inc. and WNET. Keller represented American Broadcasting Cos. Inc. and other networks. The cases were consolidated in district court as *ABC v. Aereo*.

**ADDITIONAL CALIFORNIA LAWYERS:** Kenneth D. Klein and Julie A. Shepard with Jenner.

**STATUS:** Resolved. (Issues related to Aereo’s bankruptcy remain.)

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Intellectual Property

**CATHERINE MORENO**
*Wilson Sonsini Goodrich & Rosati, Palo Alto (pro bono)*

Durie won a landmark ruling for Google Inc. when a federal judge in New York found that scanning more than 20 million library books into an electronic database was fair use. The Authors Guild sued Google for infringement in 2005 over its digital copying of copyrighted books without permission of the rights holders. Judge Denny Chin ruled that Google's use of the works is highly transformative, as it turns text into a word index to help people find books; uses snippets to point users to a broad selection of books; and creates data for researchers. “Words in books are being used in a way they have not been used before,” Chin stated in his opinion.

**ADDITIONAL CALIFORNIA LAWYERS:** Joseph C. Gratz of Durie Tangri.

**STATUS:** The Author's Guild has appealed to the Second Circuit.

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Intellectual Property

**JULIA HARUMI MASS**
*ACLU of Northern California, San Francisco*

Stone, Gallegos, their team, and New York attorney Bruce Keller of Debevoise & Plimpton led a high-stakes battle against video streaming start-up Aereo Inc., winning a U.S. Supreme Court ruling in June on behalf of broadcasters. The Court found that Aereo was infringing broadcasters’ exclusive right to publicly perform their copyrighted works. It found Aereo’s system—servers, transcoders, and thousands of dime-size antennas that captured over-the-air TV signals and streamed them to subscribers—was not legally distinguishable from cable systems, which under a 1976 amendment to the Copyright Act must pay to retransmit TV broadcasts. Stone represented television producers and broadcasters including Fox Television Stations Inc. and WNET. Keller represented American Broadcasting Cos. Inc. and other networks. The cases were consolidated in district court as *ABC v. Aereo*.

**ADDITIONAL CALIFORNIA LAWYERS:** Kenneth D. Klein and Julie A. Shepard with Jenner.

**STATUS:** Resolved. (Issues related to Aereo’s bankruptcy remain.)

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Intellectual Property

**SAVITH IYENGER**
*Wilson Sonsini Goodrich & Rosati, San Francisco (pro bono)*

Stone, Gallegos, their team, and New York attorney Bruce Keller of Debevoise & Plimpton led a high-stakes battle against video streaming start-up Aereo Inc., winning a U.S. Supreme Court ruling in June on behalf of broadcasters. The Court found that Aereo was infringing broadcasters’ exclusive right to publicly perform their copyrighted works. It found Aereo’s system—servers, transcoders, and thousands of dime-size antennas that captured over-the-air TV signals and streamed them to subscribers—was not legally distinguishable from cable systems, which under a 1976 amendment to the Copyright Act must pay to retransmit TV broadcasts. Stone represented television producers and broadcasters including Fox Television Stations Inc. and WNET. Keller represented American Broadcasting Cos. Inc. and other networks. The cases were consolidated in district court as *ABC v. Aereo*.

**ADDITIONAL CALIFORNIA LAWYERS:** Kenneth D. Klein and Julie A. Shepard with Jenner.

**STATUS:** Resolved. (Issues related to Aereo’s bankruptcy remain.)

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Intellectual Property

**PAUL R. CHAVEZ**
*Lawyers’ Committee for Civil Rights of the San Francisco Bay Area*

Stone, Gallegos, their team, and New York attorney Bruce Keller of Debevoise & Plimpton led a high-stakes battle against video streaming start-up Aereo Inc., winning a U.S. Supreme Court ruling in June on behalf of broadcasters. The Court found that Aereo was infringing broadcasters’ exclusive right to publicly perform their copyrighted works. It found Aereo’s system—servers, transcoders, and thousands of dime-size antennas that captured over-the-air TV signals and streamed them to subscribers—was not legally distinguishable from cable systems, which under a 1976 amendment to the Copyright Act must pay to retransmit TV broadcasts. Stone represented television producers and broadcasters including Fox Television Stations Inc. and WNET. Keller represented American Broadcasting Cos. Inc. and other networks. The cases were consolidated in district court as *ABC v. Aereo*.

**ADDITIONAL CALIFORNIA LAWYERS:** Kenneth D. Klein and Julie A. Shepard with Jenner.

**STATUS:** Resolved. (Issues related to Aereo’s bankruptcy remain.)

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Intellectual Property

**Catherine Moreno**
*Wilson Sonsini Goodrich & Rosati, Palo Alto (pro bono)*

Stone, Gallegos, their team, and New York attorney Bruce Keller of Debevoise & Plimpton led a high-stakes battle against video streaming start-up Aereo Inc., winning a U.S. Supreme Court ruling in June on behalf of broadcasters. The Court found that Aereo was infringing broadcasters’ exclusive right to publicly perform their copyrighted works. It found Aereo’s system—servers, transcoders, and thousands of dime-size antennas that captured over-the-air TV signals and streamed them to subscribers—was not legally distinguishable from cable systems, which under a 1976 amendment to the Copyright Act must pay to retransmit TV broadcasts. Stone represented television producers and broadcasters including Fox Television Stations Inc. and WNET. Keller represented American Broadcasting Cos. Inc. and other networks. The cases were consolidated in district court as *ABC v. Aereo*.

**ADDITIONAL CALIFORNIA LAWYERS:** Kenneth D. Klein and Julie A. Shepard with Jenner.

**STATUS:** Resolved. (Issues related to Aereo’s bankruptcy remain.)
Legal Profession

Mittelstaedt, Hughes, Hirsch, and Orton won a federal court judgment in the Heller Ehrman bankruptcy that makes it easier for clients to hire lawyers and for lawyers to switch firms. They successfully asserted that it is the client, not the lawyer, who owns a case, and that a defunct firm’s estate therefore has no claim to recover hourly fees earned on cases it can no longer handle. The bankruptcy trustee had pursued claims for profits earned by law firms that took over Heller’s hourly-fee cases when former Heller lawyers joined those firms. At least 40 firms settled, but the 4 that these lawyers represented—Jones Day; Orrick, Herrington & Sutcliffe; Davis Wright Tremaine; and Foley & Lardner—continued to litigate and prevailed before District Judge Charles R. Breyer.

ADDITIONAL CALIFORNIA LAWYERS: Mittelstaedt was assisted by Jason McDonnell; Hughes by Pamela Phillips and Diana D. DiGennaro; Hirsch by John C. Bostic and Steven P. Ragland; and Orton by Maureen R. Green and James L. Miller.

STATUS: The trustee has appealed.

Municipal Practice

Aleshire, Taylor, and their team helped the city of Bell return to responsive government and then to solvency after it fell victim to malfeasance by eight city officials. Five former city council members eventually were convicted of misappropriating public funds in a scheme to hike their own salaries and saddle Bell’s 36,664 largely low-income residents with dubious taxes and fees. The Aleshire & Wynder firm volunteered as counsel for a successful campaign to recall four council members in 2011. Aleshire was then selected from among eight competitors to be Bell’s city attorney. He and Taylor led a team that recovered more than $25 million, helped the city avoid more than $55 million in liability, won restitution orders worth more than $20 million, and settled a $35 million bond-default action at no cost. Aleshire also helped build the criminal case against former City Manager Robert Rizzo, and he won appellate rulings that spared Bell from paying Rizzo’s legal fees.

ADDITIONAL CALIFORNIA LAWYERS: June S. Ailin, Stephen R. Onstot, and Anita Luck of Aleshire & Wynder.

STATUS: Several officials have appealed parts of their convictions; some restitution and recovery efforts continue.

Securities

After an eleven-day trial in June, Gibbs and his team won a unanimous verdict for their client, Manouchehr Moshayedi, a founder of sTec Inc., which makes solid-state drives. The Securities and Exchange Commission had filed civil charges against Moshayedi for fraud and insider trading. The SEC claimed that, prior to a secondary offering of 9 million shares of family-owned stock, Moshayedi made misleading statements and omissions that produced $268 million for him and his brother. The SEC noted that the share price later sank after the revelation of information Moshayedi had withheld. Gibbs argued that the SEC had mischaracterized the underlying events and cobbled together a theory of insider trading to match the evidence. The jury found for the defendant after deliberating just four hours; it was the SEC’s second failed insider-trading case in a week. SEC officials have reportedly said the agency plans to try more cases in-house before administrative law judges.

ADDITIONAL CALIFORNIA LAWYERS: Thomas A. Zaccaro of Paul Hastings; and Matthew Rawlinson of Latham.

STATUS: Resolved.
Ring negotiated a $14 million settlement on behalf of two women who had been sexually abused by a science teacher while in middle school in Moraga in the 1990s. The awards of $7 million to each victim are the largest individual recoveries ever from a U.S. public school district in a sexual abuse case. Though the incidents occurred more than two decades earlier and the perpetrator committed suicide in 1996, Ring persevered. He uncovered documents that proved the molestation occurred and that school officials knew about it but took no action. In addition to paying the settlement, the school district apologized for the incidents and its failure to act. Last September, Gov. Jerry Brown signed legislation mandating annual training for all school personnel on the requirements for reporting abuse. **STATUS:** Resolved.

**Additional California Lawyers:** David S. Cox, Lisa R. Veasman, and Esther K. Ro with Morgan Lewis. (Blasi and the Morgan Lewis lawyers worked pro bono.) **STATUS:** Resolved.

This team’s victory could lead to a major extension of the public trust doctrine and offer a new way to manage the state’s groundwater. Over the past 20 years, pumping from aquifers in Siskiyou County shrunk the Scott River’s flow so dramatically that parts began drying up seasonally, blocking the migration of salmon and other fish. The foundation and the fishermen’s federation sued the State Water Resources Control Board and Siskiyou County, claiming the county must abide by the public trust doctrine when issuing well permits. The trial court agreed in July, the first time a state court has applied the doctrine to groundwater interconnected with a river. The decision is important for farmers who rely on groundwater for irrigation, and for fishermen whose livelihood requires healthy river flows. **ADDITIONAL CALIFORNIA LAWYERS:** Danielle R. Fugere. **STATUS:** On appeal. The parties have asked the state Supreme Court for expedited review. 

**Personal Injury**

**DAVID M. RING**
*Taylor & Ring*
*Los Angeles*

**Public Interest**

**DANIEL GRUNFELD**
*Morgan, Lewis & Bockius*
*Los Angeles*

**GARY BLASI**
*UCLA School of Law*
*Los Angeles*

**AMOS E. HARTSTON**
*Formerly of Inner City Law Center*
*Los Angeles*

**ERIN DARLING**
*Formerly of Public Counsel*
*Los Angeles*

**Water Law**

**JAMES R. WHEATON and LOWELL CHOW**
*Environmental Law Foundation*
*Oakland*

**RICHARD M. FRANK**
*UC Davis School of Law*
*Davis*

**GLEN H. SPAIN**
*Pacific Coast Federation of Fishermen’s Associations*
*San Francisco*