



Monday, July 29, 2013

**Law Practice**  
**Post-recession, legal malpractice claims on the rise**

It's no secret among professional liability lawyers that recessions lead to more malpractice claims against attorneys and an increase in the size of the largest claims. That's been the case this time around as well.

**Litigation**  
**Lawyers offer fullest glimpse yet of arguments in Toyota case**

In remarks made to prospective jurors last week, lawyers gave hints as to what arguments they might try to present at an upcoming trial, the first unintended acceleration litigation to be heard by a jury in state court.

**Law Practice**  
**On The Move**  
 Manatt, Phelps & Phillip LLP nabbed partner Donna L. Wilson from BuckleySandler LLP, where she headed the firm's West Coast litigation and data security and privacy practices.

**Corporate**  
**Activision Blizzard Inc. agrees to \$8.2 billion share buyback**  
 Santa Monica-based Activision Blizzard Inc. announced on Friday that it would be buying back \$8.2 billion worth of shares owned by Vivendi, a French media conglomerate in a bid to become an independent company once again.

**Judges and Judiciary**  
**Northern District judge comes amid quicker selection pace nationwide**



Obama's choice of Vince G. Chhabria Thursday for U.S. district judge fills the last of the Northern District's holes, and the process to his nomination was far quicker than the other two vacancies, one which lingered for more than a year.

**Criminal**  
**Inmate advocates enlist lawyers to assist resentencing petitions**

Stanford Law School's Three Strikes Project has enlisted law firms and law schools to make sure that no inmate eligible for resentencing under Prop. 36 goes without legal representation.

**Discipline**  
**Disciplinary Actions**  
 Here are summaries of lawyer disciplinary actions taken recently by the state Supreme Court or the

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# Eight Stradling partners defect to launch their own boutique

*Stuart Kane LLP launches in Newport Beach, focusing on real estate, employment and business litigation*

By Alexandra Schwappach

Eight partners defected from Stradling Yocca Carlson & Rauth PC to form their own boutique focusing on real estate, employment law and business litigation, the firm announced last week. Legal observers say the move is part of an ongoing trend of big firm attorneys moving to smaller settings.

Headed by Bruce C. Stuart and Robert J. Kane, Stuart Kane LLP officially launched on July 22 in Newport Beach. Founding partner Stuart said the group of attorneys wanted to pursue a platform where they could be a little more flexible.

"We just felt that for the particular clients we have this kind of small environment format would just be a better fit," he said. "We are excited about the future and think this will be a good launching pad for us."

Stuart, who has more than 30 years of experience in real estate and represents clients such as The Irvine Company, said he believes all of the attorneys' clients will transition to the new firm.

The two name partners are joined by Josh Grushkin, Robert Wallace and Javier Gutierrez, who specialize in real estate law; Bruce May, who focuses on employment law and litigation; and Don Hamman, Peter Wucetich and Eve Brackmann, who concentrate on business litigation with an emphasis on real estate and employment matters.

Though the move is sure to have some effect on Stradling, the 100-attorney firm has lately added to its ranks and expanded into new frontiers. The firm hired 17 attorneys so far this year and opened its first out-of-state office in Reno, Nev. in January.

"Stradling fully supports this departure and wishes the new firm the best," Bob Whalen, a senior shareholder and member of the firm's board, said in a statement.

Samantha McDermott, chief marketing officer for Stradling, said the firm will continue to handle labor and employment matters and will likely add real estate transactional attorneys to its San Francisco and Newport Beach offices. It recently added Jeffrey A. Dinkin, a former partner at Sheppard, Mullin, Richter & Hampton LLP, as chair of its labor and employment practice group.

The 17 additions to Stradling have been primarily in the labor and employment, securities and intellectual property litigation, public finance and corporate transactional areas.

Diane Rifkin, an attorney search consultant of Rifkin Consulting, said the departures from Stradling are likely difficult for the firm "on several fronts," but recent growth at the regional firm should help it stabilize quickly.

"I am confident that Stradling will recover and thrive," she said. "The firm has been growing, particularly in Santa Monica, and their offices have stellar attorneys in their ranks."

Stradling's departures have a similar ring to that of recent exits from Allen Matkins

Leck Gamble Mallory & Natsis LLP, said legal recruiter Larry Watanabe. Earlier this month, six partners left the firm to start their own commercial real estate boutique in San Diego.

"In many practice areas it is not necessary to remain with a larger firm and associated cost structure," he said. "Having the ability to control billing rates and expenses to clients can be advantageous for those departing to go on their own."

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### Law Practice

#### **Eight Stradling partners defect to launch their own boutique**

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#### **U.S. Court of Appeals for the 9th Circuit Oracle must arbitrate Java dispute, 9th Circuit rules**

Oracle Corp. and Swiss mobile software company Myriad Group AG will likely enter into arbitration in their breach of contract and copyright infringement dispute following a 9th U.S. Circuit Court of Appeals ruling issued Friday.

### Letter to the Editor

#### **State Bar leaders respond to criticism of immigration fraud bill**

Re: "State Bar Backs Shaky Immigration Legislation," July 23. By **Patrick M. Kelly and Luis J. Rodriguez**

### Criminal

#### **Hearsay exceptions for children in sexual assault cases**

Earn MCLE credit learning the basic principles governing the admission of children's hearsay statements is highly important to presiding over these types of cases as well as practicing law in this field. By **Karla Kerlin and Renee Korn**

### Labor/Employment

#### **Unpaid interns: keep 'em, pay 'em or let 'em go**

Fox Searchlight's recent ordeal is an important reminder that the mere labeling of a worker as an "intern" does not automatically remove the worker from the protections of wage and hour laws. By **Rebecca M. Aragon and Anthony G. Ly**

### Environmental

#### **No attorney client privilege in preparation of environmental impact reports**

A court recently ruled communications between developers and cities in the CEQA process are not protected by attorney-client privilege prior to project approval. By **Robert McMurry**

### Litigation

#### **Amending the FAA essential to 'effectively vindicate' rights**

In June the U.S. high court landed a blow to those opposed to mandatory arbitration. In order to be able to fully and "effectively vindicate" rights, a change of personnel is going to have to take place in Washington. By **Eric Kingsley**

### Letter to the Editor

#### **Vindication exception to FAA was never meant to apply to states**

Re: "Life and Times of California Arbitration," July 17. By **Ronald W. Novotny**

**Judges address ADR cuts**

Re: "Cutbacks on Court ADR Programs Frustrate Attorneys," June 24. By **James A. Steele**

**Judicial Profile**

**Joanne B. O'Donnell**

Superior Court Judge Los Angeles County (Stanley Mosk Courthouse)

**Corporate Counsel**

**Niveen Tadros**

Executive Vice President and General Counsel for Saban Capital Group Inc. Los Angeles

**Corporate**

**Rising rates fuel tension between GCs and outside counsel**

Changes brought about during the recession are having lingering effects on corporate legal departments' relationships with their outside attorneys, and clients increasingly say they're disappointed in their primary law firms.