



**For Immediate Release**

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## **WLF PRAISES FEDERAL COURT RULING ORDERING LERACH LAW FIRM TO PAY ATTORNEY'S FEES**

### ***WLF To Oppose Appeal***

The Washington Legal Foundation (WLF) commended a recent federal court ruling that ordered the law firm of class action attorney Bill Lerach to pay the attorney's fees of a company his firm sued that was forced to defend itself against charges found to be without merit. Lerach has vowed to appeal the precedent-setting ruling and WLF announced that it will file a brief in the court of appeals opposing his efforts.

U.S. District Court Judge Melinda Harmon in Houston ruled late last week that Lerach's law firm, Lerach, Coughlin, Stoia, Geller, Rudman & Robbins, must pay the attorneys' fees of Alliance Capital Management, a money management firm that was sued by Lerach's firm in a securities class action case. The judge ruled that after discovery was undertaken during the course of the lawsuit, it became clear that Alliance was not liable for any wrongdoing and thus, should have been dropped as a defendant from the case. The court assessed defense fees incurred after that time against the Lerach firm.

"We hope the judge's ruling sends a strong message to class action attorneys that they will have to pay for continuing meritless cases against companies that are often forced to settle bogus claims," said Daniel Popeo, WLF's President and General Counsel.

The judge's ruling came in the class action case of *In re: Enron Corporation Securities, Derivative & Erisa Litigation* where Lerach's firm alleged that Alliance Capital was liable for the acts of a member of the board of both Alliance and Enron, who was charged with signing an untrue registration statement for Enron securities. During discovery, the evidence showed that Alliance was innocent of wrongdoing, but Lerach's firm continued to press the case, forcing Alliance to incur additional fees to defend itself. The court ordered Alliance's attorneys to submit a request for fees and costs it incurred to file its motion of summary judgment.

WLF is a national non-profit public interest law and policy center that supports a reasonable judiciary and regularly participates in class action cases by opposing abusive litigation and the award of excessive fees to plaintiffs' attorneys.

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