

COURT REJECTS MILLION DOLLAR ATTORNEYS' FEES IN CLASS ACTION *(In re: Magazine Antitrust Litigation)*

The Washington Legal Foundation (WLF) scored a major victory when a federal court denied entirely a request for an award of \$1.1 million in attorneys' fees in a class action case where the class members received no compensation. WLF argued on behalf of itself and several consumers that the requested fees were excessive in comparison to the relief obtained on behalf of the class members. The court agreed with WLF, finding that the relief obtained by the plaintiffs' attorneys was merely "technical" in nature.

This class action lawsuit was filed in October 2000 in the U.S. District Court for the Southern District of New York against the Magazine Publishers of America (MPA) and fourteen magazine publishing companies alleging that there was an agreement among the defendants since 1996 to set a minimum price of, or maximum discount on, magazine subscriptions through the enactment of an MPA guideline. That guideline had the effect of limiting discounts to subscriptions of magazines such as *TV Guide* and *Sports Illustrated* to no more than 50 percent of the list price. The Complaint sought declaratory, injunctive, and treble damages for violations of the Sherman Act.

In June 2002, class counsel and counsel for the defendants agreed to a Stipulation of Settlement whereby the defendants did not admit liability, but agreed to eliminate the guideline. In addition, the defendants agreed to pay up to \$1.1 million in attorney's fees and expenses to class counsel. However, class members, who were allegedly overcharged for their magazine subscriptions, were to receive no compensation.

WLF argued in its brief that the \$1.1 million attorney fee request should be rejected inasmuch as the class members would receive no compensation, not even coupons or vouchers that might be redeemed for one or more magazines. "This is yet another outrageous example of greedy class action attorneys seeking million dollar fees at the expense of consumers who receive nothing," said Paul Kamenar, WLF's Senior Executive Counsel. The attorneys also unfairly structured the briefing schedule so that objections to the fees were required to be filed *before* the attorneys filed their formal fee request. WLF regularly files objections to class action settlements where it appears that fees requested are excessive in relation to the work performed and results obtained.

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