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LAW

One Lawyer, 6,905 Hours Leads to \$1.5 Million Bill in Sprint Suit

'Unbelievable,' says judge in case highlighting excessive legal billing



A contract attorney working for a plaintiffs' law firm logged about 7,000 hours reviewing about 48,000 documents for a Sprint shareholder lawsuit. PHOTO: JAMIE SQUIRE/GETTY IMAGES

By **JOE PALAZZOLO** and **SARA RANDAZZO**

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Alexander Silow, a contract lawyer for a Pennsylvania plaintiffs' firm, clocked 6,905 hours of work on a shareholder lawsuit against former executives and directors of Sprint Corp. related to its 2005 merger with Nextel. Averaging about 13 hours a day, Mr. Silow reviewed 48,443 documents and alone accounted for \$1.5 million, more than a quarter of the requested legal fees, according to court documents.

"Unbelievable!" is how Judge James Vano in Kansas described the billing records. And he meant it.

"It seems that the vast amount of work performed on this case was illusory, perhaps done for the purpose of inflating billable hours," Judge Vano, who sits in Olathe, Kan., wrote in a Nov. 22 opinion.

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Courts often slash what they see as excessive billing in securities and other litigation, but rarely are they so scathing, legal experts said. Judge Vano's ruling might have gone unnoticed but for a recent disclosure about Mr. Silow by the law firm where he worked: He was disbarred in 1987 and practiced law illegally for decades.

The revelation, contained in a February letter to Judge Vano, could rupture a settlement in the Sprint case, and provide grist for corporate groups and others that have highlighted alleged abuses in the civil-justice system, fueling current momentum for legislative change.

A Republican bill passed on Thursday by the House of Representatives would make it harder to file class actions, curtailing lawyer-driven litigation that provides little benefit to shareholders and consumers, its supporters say. Plaintiffs' lawyers and consumer-rights advocates say the legislation would reduce access to the courts and blunt litigation that has improved corporate governance and forced companies to pull unsafe drugs and faulty products from shelves.

Courts regularly bless multimillion-dollar fee awards in recognition of the risk plaintiffs' firms take by fronting the costs for litigation. But fee experts said bill-padding is pervasive in class actions and shareholder suits because billing records aren't reviewed by clients and are scrutinized only when a judge needs to approve a settlement or award fees after trial.

William G. Ross, a law professor at Samford University in Alabama who has written two books on attorney billing, said his most recent survey of lawyers showed that two-thirds were personally aware of bill-padding and more than half admitted they sometimes performed work they otherwise wouldn't have done had they been charging a flat fee.

Plaintiffs' firms bill for work done by contract attorneys like Mr. Silow at hourly rates of \$300 or more when they submit their fee requests, but they typically pay the attorneys \$20 to \$40, said Lester Brickman, an emeritus professor at Benjamin N. Cardozo School of Law in New York who has written about bill padding. Mr. Brickman said it is common for firms to staff cases with contract attorneys and direct them to review thousands of documents to run up the fees.

Mr. Silow had been working as a contract attorney for at least eight years when staffing agency Abelson Legal Search placed him at the Weiser Law Firm PC in Berwyn, Pa., in 2008, according to a Feb. 3 letter from the firm to Judge Vano.

The law firm was contacted last month by a third party it declined to name and learned that no one with Mr. Silow's name was listed in a state database of licensed lawyers, Robert B. Weiser, co-founder of the firm, said in the letter.

Mr. Weiser said Mr. Silow presented himself to the firm as Alexander J. Silow, but "was in actuality named Jeffrey M. Silow" and confessed he had been disbarred when the firm confronted him, the letter said. The firm has since ended its relationship with Mr. Silow and alerted authorities, it said.

Pennsylvania's attorney discipline office confirmed Mr. Silow was disbarred in 1987 but could provide no additional information. Mr. Silow didn't respond to emails and calls seeking comment. Abelson Legal Search didn't respond to requests for comment.

Mr. Weiser said in the letter that his firm stands by the accuracy of Mr. Silow's billing records in the Sprint lawsuit, which alleged the company directors and officers

concealed problems created by the merger with Nextel. The company posted a nearly \$30 billion loss as a result of the deal.

The lawsuit sought to claw back profits from former Sprint directors and officers, who it accused of incompetence and self-dealing. But a settlement reached last year was more modest. Sprint agreed to changes to its corporate governance and the composition of its board of directors.

Judge Vano approved the deal in his November ruling but slashed the proposed legal fees for plaintiffs' attorneys from \$4.25 million to \$450,000.

"The focus appears to have been upon an easy, cheap settlement in the first instance," Judge Vano wrote.

The plaintiffs' lawyers—Mr. Weiser's firm, Florida lawyers Alison Leffew and Bruce G. Murphy and the Kansas City firm Dollar Burns & Becker LC—have appealed Judge Vano's ruling on the fees. They argued the results of the settlement, rather than the hours billed, justified the amount sought.

In court documents, Mr. Weiser and the other plaintiffs' lawyers representing a Sprint shareholder said Mr. Silow's "extensive document review" enabled them to make "well-informed decisions."

Michael Hartleib, a Sprint shareholder who objected to the settlement, asked the Kansas appeals court last month to return the case to Judge Vano's court so he can reconsider the deal in light of the new evidence showing Mr. Silow had no license to practice law.

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