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TOP VERDICTS OF 2018

The largest and most significant verdicts and appellate reversals in California in 2018

TOP DEFENSE VERDICTS

Stueve et. al. v. Novell et. al.

**case
INFO**

**Orange County
Superior Court Judge
William D. Claster**

**RICO, intentional misrepresentation,
legal malpractice**

Defense Lawyers: Alan A. Greenberg,
Wayne R. Gross, Claire-Lise Y. Kutlay,
Greenberg Gross LLP

Plaintiff's Lawyers: Robert E. Barnes,
Keobopha Keopong, Michael S. Cooper,
Barnes Law LLP



WAYNE R. GROSS AND ALAN A. GREENBERG

Up against a rare civil racketeering case against their law firm client, Alan A. Greenberg and Wayne R. Gross of Greenberg Gross LLP faced a last-minute challenge that threatened to derail years of trial preparation: their co-defendants settled, leaving them with a sprawling case in which their client played just a small role.

The defense attorneys could have taken a settlement offer, too, but armed with what they believed was a solid case and an innocent client, Buchalter APC, they went to trial alone.

The trial was one of the few civil Racketeer Influenced and Corrupt Organizations Act cases ever to be decided by a jury. *Stueve et al. v. Novell et al.*, 10-00411651 (Orange Super. Ct., filed Sept. 24, 2010).

Representing the Stueve family of the Alta-Dena Dairy fortune, plaintiff's attorney Robert E. Barnes said in his opening statement that he'd prove damages in excess of \$150 million, but a RICO verdict would have triggered treble damages and attorney fees that put the amount at approximately \$500 million.

Greenberg said the case is an example of how "large law firms are increasingly targeted by opportunistic plaintiff lawyers" who believe jurors won't sympathize with the defense. But he said

"this defense verdict demonstrates that when a case is presented correctly, jurors will treat large law firms fairly."

At issue was an estate plan created by the Stueves' longtime lawyer, sole practitioner Raymond "Ran" Novell, who worked with veteran trusts attorney J. Wayne Allen, a Buchalter shareholder from 2007 to 2010.

Buchalter ousted Allen in February 2010 for loaning himself money from the Stueves and lying to the firm about it.

Novell agreed to a noncollectable judgment of \$200 million shortly before trial began in August, which included the dismissal of his wife and daughters, including Ventura sole practitioner Jennifer A. Miller, as defendants.

Allen settled for \$1.25 million to be paid by an insurer. Berger Kahn LLP, where Allen worked before Buchalter, also settled.

Greenberg and Gross, who tried the case with associates Stephanie S. Elder and Claire-Lise Y. Kutlay, worked to portray the case as a money grab by junior Stueve family members who dis-

agreed with the generous charitable contributions of the elder Stueves, who in turn didn't trust their children to manage their estate and feared raising spoiled children dependent on trust funds.

After the defense rested, Orange County Superior Court Judge William D. Claster granted Greenberg's motion for a directed verdict that eliminated punitive damages. Barnes then asked jurors for \$15 million in damages in his closing argument and said the Stueve family wanted to "afford Buchalter the opportunity" to admit its mistakes.

In September, jurors deliberated for two days before rejecting a breach of fiduciary duty claim 9-3, elder abuse 11-1 and RICO 12-0.

Gross told the Daily Journal that he's "delighted that we were able to obtain complete vindication for such an outstanding law firm."

Claster rejected Barnes' motion for new trial in December.

Barnes said he plans to appeal to the 4th District of Appeal, where he filed notice in November.

— Meghann Cuniff