

Daily Journal

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TOP PLAINTIFF LAWYERS IN CALIFORNIA 2016

In this second annual supplement devote to California's plaintiff bar, the Daily Journal sought to highlight attorneys making a difference far beyond the lives of their clients. Don't get us wrong. Making whole clients physically injured or the victims of corporate malfeasance are noted accomplishments. But the lawyers profiled in this edition didn't stop there. They used their legal skills to forge real and lasting change. Fighting for the little guy is all in a day's work for these lawyers — and often at great personal risk. They put millions of dollars on the line and spend countless hours over many years bringing cases. As you read through this supplement, we think you'll agree that they exemplify the positive force the legal industry can have on people's lives and on society.

— The Editors

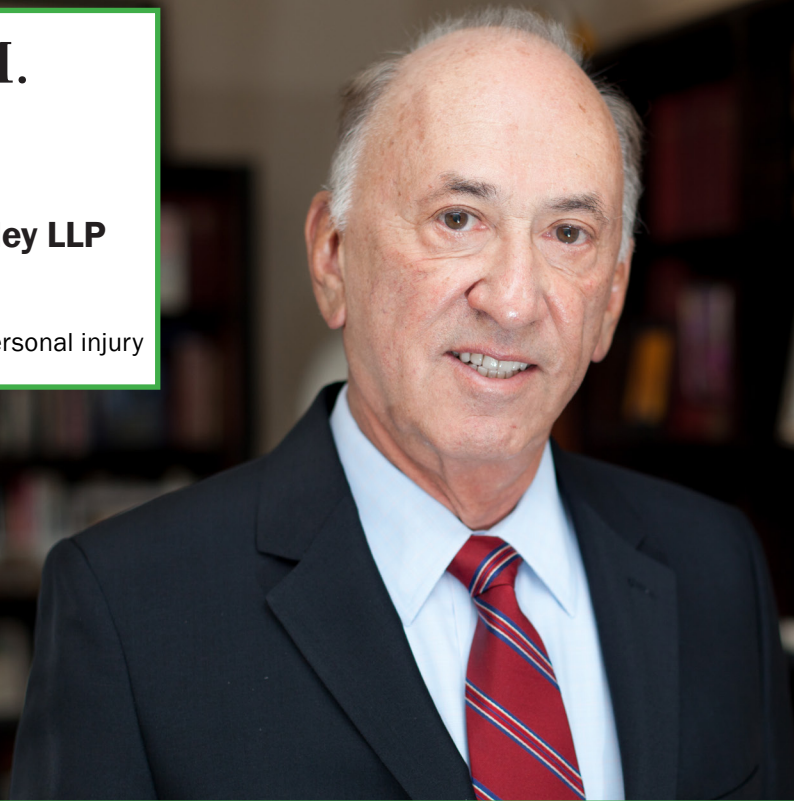
William M. Shernoff

**Shernoff Bidart
Echeverria Bentley LLP**

Claremont

Practice:

Insurance bad faith, personal injury



Waiting for a court to render an important opinion can be daunting. “I’m on pins and needles,” Shernoff said late last month as he anticipated a state Supreme Court decision in an insurance bad faith case. “I’ve pioneered insurance bad faith litigation in California, and this is one of the few times in the last several years that the state’s highest court is set to weigh in on the issue. I’m anxious.”

The question in *Nickerson v. Stonebridge Life Insurance*, S213873, involves the proper ratio between punitive and compensatory damages, with the added twist that the jury in Shernoff’s case awarded attorney fees as part of its judgment but a trial judge did not when she drastically reduced the award.

The case arose when an insurer partly denied

coverage for a man’s hospitalization benefits. Los Angeles County Superior Court Judge Mary Ann Murphy ruled the man was entitled to \$31,500 in additional benefits. A jury then found the insurer had breached the implied covenant of good faith and fair dealing and awarded the man \$35,000 in compensatory damages for emotional distress and \$19 million in punitive for fraud. “He was in the hospital 109 days and the carrier paid for 19 days and said the rest was not medically necessary,” Shernoff said. “It was an egregious fact situation. He had severe broken bones and was incapacitated.”

Murphy reduced the \$19 million to \$350,000, without factoring in fees. A 2nd District Court of Appeal panel affirmed. The state high court granted review, in part on the attorney fee issue. “Was the \$19 million permissible?” Shernoff said. “Can

attorney fees be counted as part of the ratio? We’ll see.”

Earlier this year, Shernoff settled for a confidential amount with another insurer who had denied an allegedly essential PET scan to a cancer patient whose disease then worsened. “We sued because my client had coverage,” he said. “This happens a lot, and it saves insurers a great deal of money. Hopefully, this settlement will send a signal.” *Engelbrecht v. Connecticut General Life Insurance Co.*, 15-cv-01547 (C.D. Cal., filed March 4, 2015) “Oh, yes, it is confidential, but we were completely satisfied with the amount,” Shernoff said.

“I have been trying to reform the insurance industry since 1974,” Shernoff said. “They are a very elusive group.”

— John Roemer