

# Judge OKs \$161 Million in Attorney Fees in Sempra Suit

By Bobbi Murray  
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SAN DIEGO — A San Diego judge this week signed off on \$161 million in legal fees to plaintiffs' lawyers who won the record \$3.5-billion antitrust class action against Sempra Energy.

The lawsuit stemmed from California's 2000 energy crisis in which utilities were accused of manipulating the market.

According to the order, signed Wednesday by San Diego County Superior Court Judge Ronald S. Prager, the legal fees will be distributed among 14 attorneys, including the three Los Angeles-based lead lawyers: Thomas V. Girardi of Girardi & Keese, Pierce O'Donnell of O'Donnell Shaeffer Mortimer and Walter Lachs of Engstrom Libscomb & Lachs. The fees will be paid over two years.

Sempra agreed to the settlement in January. The plaintiffs' alleged a conspiracy between the company and El Paso Natural Gas to drive up natural gas prices.

In signing his order, Prager noted the attorneys could have received as much as \$500 million under a standard method that calculates fees at 25 percent to 30 percent of the benefit to the class, and wrote that the efforts of the attorneys were "tremendous and can't be overstated."

In a telephone interview, O'Donnell said that in addition to the \$3.5 billion settlement that restructuring agreements would benefit California consumers by \$1.7 billion in savings on natural gas rates.

The trial attorneys agreed to a lesser fee than they were entitled to

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in order to make it as noncontroversial as possible, O'Donnell said. "We felt that 10 percent as opposed to 30 percent was fair," he said.

He noted that the case went on for six years and through as many courts in San Diego; Los Angeles; Washington, D.C.; and Las Vegas. "You don't fight a case for six years without a certain amount of blue flame for the cause," O'Donnell said.

Girardi agreed the attorneys

were adequately compensated. "Additional fees would have come out of the total settlement that was going to the people of the state of California," he said.

Robert E. Cooper of Gibson Dunn & Crutcher was lead counsel for Sempra and its two subsidiaries, Southern California Gas and SDG&E. He declined to comment on the attorneys' award but said of the case, "the company is pleased to have the matter behind them." Cooper said that the deal resulted

in a \$350 million after-tax cost to Sempra instead of the potential \$24-billion jury verdict that he said had been "a remote possibility."

Other attorneys involved in the case and the \$161-million award are Brad Baker of Baker, Burton & Lundy in Los Angeles; Lance Estrella of the Denver-based firm Estrella & Rice; Brian McMahon, a sole practitioner in Los Angeles; and Tynan Kelly, who has a solo practice in Houston.