

Boutique, Facing Two Ex-Partner Suits, Enters Talks to Settle One

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Manhattan criminal defense boutique facing two lawsuits by ex-partners is working toward finalizing a settlement in one, but continues to face heated allegations in the other.

In the last six months, 17-lawyer Harris, St. Laurent & Chaudhry has been embroiled in litigation with two former partners, Kevin O'Brien and Adam Ford, who split from the boutique in 2015 and opened their own defense and litigation firm, Ford O'Brien.

After leaving the boutique, Ford and O'Brien filed separate suits against it and founding partner Jonathan Harris on the same day last August. Both suits allege that Harris St. Laurent & Chaudhry has refused to pay the former partners compensation they claim to be rightfully due. Ford and O'Brien are both represented by Joseph Lipari, a partner at the Sultz Law Group.

The Harris firm has shot back, alleging in court documents that Ford and O'Brien secretly acted in concert with one another to divert assets from the boutique to start their new firm.

O'Brien, a former name partner of the Harris firm and an ex-partner of Dechert, has claimed the firm owes him \$90,000. Meanwhile, Ford, a former nonequity partner of the Harris firm who was previously an associate at Kramer Levin Naftalis & Frankel and Morvillo Abramowitz Grand Iason & Anello, alleges he is owed at least \$500,000 for his share of revenue and work on contingency cases.

In O'Brien's case, the parties are working toward a settlement, after allegations reached a fever pitch in the last few months.

After O'Brien filed suit in the Southern District of New York, the Harris firm moved for sanctions against O'Brien and his counsel for allegedly making false statements. The Harris firm also filed counterclaims including breach of fiduciary duty against O'Brien, for allegedly using firm resources to plan and open his own firm.

Earlier this month, the parties entered a settlement conference. According to an order from U.S. District Judge Laura Taylor Swain on Feb. 10, the parties advised the court that the O'Brien suit "has been or will be settled." Swain dismissed the suit, but her order provides that it can be restored if the parties don't fully reach a settlement within 30 days.

Meanwhile, allegations have continued to escalate in Ford's suit against the Harris firm.

Ford became a nonequity partner in June 2013 and said he was terminated in November 2015. Ford alleges that at the time he left, he was already owed substantial compensation for revenue he generated for work he both originated and contributed to the firm.

After his exit, Ford worked to further collect outstanding receivables owed by his clients "on the express promise" that the Harris firm would pay his share of all receivables collected, according to court documents.

But Ford claims the Harris boutique has insisted that he actually owes it money. The boutique's position would mean he "worked essentially for free, full-time over the last six months of 2015, originated over \$750,000 in cash actually paid to the firm and yet owes the firm money," he said in his complaint.

The Harris firm, moving to dismiss in October, alleged it paid Ford based only on collected revenue, earned only after certain deductions. Citing New York case law, the firm argues that when an employee is terminated, he or she is not entitled to commission-type wages when his or her compensation was not earned until the money was received and deductions taken.

Separately, the Harris firm alleges that Ford "considered himself running his own firm" while still at the boutique. The firm added it was troubled by "Mr. Ford's questionable management of cases, which included mismanagement of personnel, unacceptable work product, and billing practices that resulted in significant write-offs."

Unbeknownst to the boutique, since at least October 2015, Ford had been "colluding" with O'Brien to leave and set up a new firm, according to court filings. In a two month time period, Ford and O'Brien had "secret meetings and used secret e-mail accounts" to poach a Harris firm employee, reach out to firm clients, seek financing, interview potential employees and set up their new firm, all the while using Harris materials and resources during business hours, the boutique alleges, citing communications with an executive at UBS, a firm client.

In December, Ford moved to disqualify Andrew St. Laurent and Evan Bolla, partners at the boutique who are representing the firm in the Ford litigation. Ford alleges the two lawyers are "key witnesses in the underlying action" and their testimony will prejudice the interest of their clients --- the Harris firm and the boutique's founder -- because they have made statements to Ford in direct conflict with their clients' statements.

Manhattan Supreme Court Justice Marcy Friedman has not yet ruled on the dismissal and disqualification motions.

"This is a simple case involving wages that were earned in accordance with a fixed compensation formula," said Ford's attorney, Lipari, in a brief statement. "Unfortunately, defendants have chosen not to honor their commitment to pay Mr. Ford what he is owed."

Lipari declined to comment on a settlement in the O'Brien case.

For his part, Harris, a founding partner of the boutique and a named defendant in both suits, said in a brief interview that he was happy the case brought by O'Brien was resolved and wished his former partner well. He declined to discuss the terms of any settlement.

Addressing the second suit, he said if it continues, "We'll be filing counterclaims against Mr. Ford, but we would hope to resolve that case as well."

Overall, Harris said the litigation has not been a distraction for his firm or affected business. "We're busy," he added.