

Sheppard Mullin Conflict Waiver Case Puts Big Fee at Stake

Nearly \$4 million in fees are at stake in a California Supreme Court fight between a big law firm and a big client over broad advance conflict waivers the firm used in its client engagement letters, according to **Bloomberg Law**.

Reporter **Joyce Cutler** explains that Sheppard Mullin Richter & Hampton LLP was “disqualified from representing J-M Manufacturing Co. Inc. in a \$1 billion qui tam action because the firm concurrently represented one of the hundreds of defendants in an unrelated matter. The state appeals court held the advance conflict waiver J-M gave Sheppard Mullin didn’t absolve the firm of its duty to tell J-M about the specific conflict once it came to light.”

The question for this case of first impression is whether a law firm needs to tell a sophisticated client about a specific conflict when it arises, or whether the firm can instead rely a boilerplate advance conflict waiver in the client’s engagement agreement.

Read the Bloomberg article.