Dead Law Firm’s Estate Can’t Collect Fees, California Court Says



Image by NY Photographic

The California Supreme Court has ruled that failed law firms are not entitled to fees earned on legal matters that are in progress – but not completed – at the time the firm closes its doors, reports **Bloomberg Law**.

“Any expectation the law firm had in continuing the legal matters cannot be deemed sufficiently strong to constitute a property interest allowing it to have an ownership stake in fees earned by its former partners, now situated at new firms, working on what was formerly the dissolved firm’s cases,” according to the court’s opinion.

Reporter **Elizabeth Olson** writes that the estate of bankrupt Heller Ehrman LLP “brought suit against 49 law firms to recover millions of dollars it said were owed from legal work that the firm’s former partners had taken with them to their next legal workplace. But this ruling appears to let the law firms off the hook.”

Read the Bloomberg article.