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## Johnny Depp's Former Attys Can't Enforce Oral Fee Deal

By **Daniel Siegal**

Law360, Los Angeles (August 28, 2018, 10:47 PM EDT) -- A California judge on Tuesday granted Johnny Depp's bid to dismiss a claim by his former attorneys at Bloom Hergott Diemer Rosenthal LaViolette Feldman Schenkman & Goodman LLP that he breached their oral fee agreement, saying the show business deal is no different from any other attorney contingency fee agreement and thus is voidable since it had not been put in writing.

Depp had alleged that his longtime personal attorney, Jacob Bloom, had wrongfully collected \$30 million in fees over roughly 18 years, under the handshake deal in which Depp's lawyers provided a range of legal services in exchange for a cut of the actor's earnings. Bloom and the firm filed counterclaims alleging that Depp had breached the oral contract and seeking unpaid legal fees and declaratory relief. Depp then filed a motion for judgment on the pleadings as to the contract claim only, which was heard Tuesday.

At the outset of Tuesday's hearing, Los Angeles Superior Court Judge Terry Green said that the oral agreement appears to be a contingency fee agreement, which, under California's Business and Professions Code, is voidable by the client if there is no written agreement.

"I don't know what else it would be, when plaintiff does well counsel does well, when plaintiff doesn't do well, counsel don't do well. It rises and falls with the tide," he said.

Raymond Cardozo of Reed Smith LLP, representing the defendants, argued that at the very least, the issue cannot be resolved this early in the litigation because the court must look at the evidence to determine whether Depp voided the agreement or whether he chose to ratify it by continuing to pay legal fees and receive legal services under the deal when Depp already knew there should have been a written agreement.

Cardozo also argued that the agreement was not a contingency fee agreement, saying that ruling such a handshake deal, common in the entertainment industry, is voidable would have "huge ramifications." He added that unlike in a typical contingency fee agreement, Depp's attorneys were not "speculating on an uncertain outcome," but rather hammering out details on movie deals that had already been agreed to — and receiving payment in the "variable asset" that is Depp's earnings.

Judge Green, however, was not convinced, saying that accepting additional services might affect the statute of limitations, but it does not change the basic nature of the agreement. The judge cited his own family's deep roots in the entertainment industry and said he was sympathetic to the unique nature of Hollywood deals — before concluding that although the deals might be unique, they still must comply with state law.

"There's not a special rule for entertainment people," the judge said. "Until or unless they get the state Legislature to carve out this new subsection C that says in show business they're allowed to do whatever they want, I'm stuck with subsections A and B, which say there's no exception."

The judge said he would grant Depp's motion.

Depp, the star of such films as "Pirates of the Caribbean," "Alice in Wonderland" and "Fear and

Loathing in Las Vegas," accused Bloom and the firm in his **October 2017 suit** of years of misconduct through self-dealing and failure to disclose conflicts of interest.

Depp says that the firm, of which he had been a client for 18 years, failed to disclose years of misconduct between itself and The Management Group, his former business managers, which the movie star sued earlier that year.

The Bloom firm collected its fees from The Management Group without a written contract in violation of state law, the suit claimed.

In July, Depp **settled his suit** with The Management Group, averting a trial that was scheduled for August in a pair of multimillion-dollar suits over how at least \$25 million of the actor's money was handled and whether his properties should be foreclosed.

Depp is represented by Fredrick S. Levin, Michael A. Rome and Ali M. Abugheida of Buckley Sandler LLP, Pat Cipollone, Robert B. Gilmore and Brittany W. Biles of Stein Mitchell Cipollone Beato & Missner LLP and Adam R. Waldman of The Endeavor Law Firm PC.

Bloom Hergott Diemer Rosenthal LaViolette Feldman Schenkman & Goodman LLP is represented by Raymond Cardozo, Kurt Peterson, Peter J. Kennedy and Mathew M. Wrenshall of Reed Smith LLP.

The case is Depp et al. v. Bloom et al., case number BC680066 in the Superior Court of the State of California, County of Los Angeles.

--Additional reporting by Kat Greene and Dave Simpson. Editing by Peter Rozovsky.

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