

Los Angeles Times

Kevin Merida
Executive Editor

2300 E. Imperial Highway
El Segundo, CA 90245
kevin.merida@latimes.com

To the judges,

California's most revered and politically connected trial attorney used clients' settlement money to buy his wife \$750,000 diamond earrings and his mistress, a sitting appellate court justice, a \$300,000 beachfront condominium.

A highly regarded arbitrator signed a sham court order allowing for the theft of \$3.5 million from a fund for injured aerospace workers.

A CNN legal pundit and another prominent Los Angeles lawyer collected millions in fees for a settlement for genocide victims that only compensated a fraction of applicants and was rife with fraud.

Disbarment rates for Black male lawyers are nearly four times those of their white peers.

Welcome to business as usual in California law.

The Golden State prides itself on being the nation's progressive leader with agenda-setting regulation of everything from fast-food work breaks to tailpipe emissions, but when it comes to oversight of its 266,000 licensed attorneys, California has failed spectacularly.

The Times has documented these shortcomings and their jaw-dropping consequences in a two-year investigation that culminated last year. The stories amply demonstrated the many ways that feeble and at times non-existent regulation has enabled the exploitation of the vulnerable and the corruption of the court system by wealthy and powerful lawyers. In doing so, The Times took on one of the most politically influential forces in California.

This reporting resulted in reforms, government investigations, increased transparency and new legislation.

The investigative work had an unlikely genesis: The November 2020 divorce filing by "Real Housewives of Beverly Hills" star Erika Girardi, who had built her reality TV brand on being the free-spending wife of a fabulously rich attorney. Hamilton and Ryan, both former legal reporters, began looking into her husband, Tom Girardi, the famed trial attorney whose toxic tort inspired the movie "Erin Brockovich." By then, the courtroom legend and his vaunted law firm were teetering on the brink of insolvency.

The collapse came at a December 2020 federal court hearing. Girardi acknowledged that he could not account for millions of dollars missing from a settlement for victims of a Boeing airplane crash, and his lawyer disclosed cognitive problems in the then 81-year-old later diagnosed as Alzheimer's disease. The reporters quickly turned up evidence that he had been robbing clients and colleagues egregiously for decades and committed to understanding how he got away with it.

That quest led to the doors of the State Bar of California, a rarely scrutinized public agency with a \$250-million budget and a mandate to identify and punish corrupt lawyers. The paper revealed in 2021 that Girardi had curried favor with key officials by treating them to private plane rides, personal legal work, wine-soaked lunches at Morton's steakhouses, over-the-top Super Bowl parties, Vegas soirées and, in one case, a live performance by crooner Paul Anka.

The reporters came to understand that Girardi was not an outlier so much as an exemplar of a broken system that was harming citizens and making a mockery of the rule of law. That realization guided their reporting last year.

After being repeatedly told that "Girardi didn't do this alone," the reporters delved into the murky world of private judging and came away with shocking instances of retired jurists, paid \$1,500 an hour,

providing cover to lawyers to swindle clients. The chief justice of the California Supreme Court said The Times' findings were "shocking" and called for the State Bar to regulate mediators and arbitrators.

After the Times learned that a Girardi associate, the State Bar's chief investigator, had secretly photographed a complaint about a lawsuit filed by descendants of the Armenian genocide, the reporters spent months reconstructing the litigation. That entailed successfully petitioning a federal court judge to unseal dozens of records, helping reporters to uncover widespread fraud, cheated families and missing charitable funds.

Under threats of lawsuits by two high-profile attorneys involved in the genocide case, the paper published the story, which directly affected thousands of ethnic Armenians around the world, in both English and Armenian; it was later republished by an investigative news site in Yerevan. The State Bar subsequently announced a re-investigation of the lawyers, with its board chair praising The Times' "excellent reporting" in a press release.

Having documented many powerful people the State Bar did not properly punish, the reporters decided to look into who the agency did discipline. The result was an outraging account of racial inequality. Apparently reluctant to take on lawyers of means who might be able to afford defense counsel, the agency targeted the low-hanging fruit of the legal community: those with limited finances and without the backing of a law firm. Disproportionately, Black men saw their careers ruined.

Confidentiality rules prevent the State Bar from releasing information about ongoing or uncharged complaints, complicating the news-gathering process. To force transparency, The Times filed an unprecedented lawsuit against the agency in 2021 for access to Girardi's files. After more than a year of litigation, the State Bar conceded the issue, saying the public had a right to know, and made public a jaw-dropping list of 205 complaints against Girardi dating back to the 1980s.

The State Bar and the state auditor separately validated much of the newspaper's reporting. A State Bar review of Girardi's confidential agency files reached the conclusion in 2021 that there were "mistakes made" over the decades. A wide-ranging audit by the state auditor, conducted at the direction of the Legislature and released last year, identified "fundamental breakdowns" that led to a systemic failure in the attorney discipline system.

The State Bar has replaced its leadership team and embarked on what it says will be a full-scale overhaul of its discipline system. Under the leadership of a new enforcement chief, an aggressive former federal prosecutor, the State Bar launched last year a series of bold investigations into high-profile lawyers, a startling departure from the timidity often displayed in the past.

The agency has also adopted new regulations governing the bank accounts that hold client settlement money, the scene of many of Girardi's ethical misdeeds, and agreed to support a new mandatory reporting law that would require lawyers to turn in colleagues who commit misconduct. The Times had previously reported that 49 other states obligated or encouraged attorneys to do so, but that California lawyers had long fought the so-called "snitch rule."

Other reforms are on the horizon. The chair of the state Senate Judiciary Committee has vowed to hold hearings this year into the corruption enabled by the State Bar. And the chief justice of the California Supreme Court called for the licensing and regulation of mediators and arbitrators following a Times expose on their role in the Girardi scandal. She called the newspaper's reporting "shocking."

At the start of their reporting, many lawyers, even the most conscientious and dedicated, told Hamilton and Ryan that the State Bar was "a joke" and that it did little beyond collect annual dues. Don't spend your time writing about that, they were told. Two years later, the agency is on the road to reform. Story by story, The Times revealed a crooked system that protected the well-off and well-connected at the expense of the weak and the poor, and the faith people should have in their attorneys and courts.

Sincerely,

