

Lawyer Faces Lawsuit for Violating Employment Agreements and Fiduciary Duties



A New York-based litigation firm, Napoli Shkolnik, has filed a lawsuit against one of its attorneys, Heather Palmore, and her law firm, The Palmore Group P.C., for multiple counts, including breach of contract, breach of fiduciary duty of loyalty, aiding and abetting breach of fiduciary duty of loyalty, injurious falsehood, unjust enrichment, declaratory judgment, and constructive trust. The lawsuit alleges Palmore engaged in "quiet quitting," a trend that emerged during the COVID-19 pandemic where employees do the bare minimum at work and do not overextend themselves on behalf of their employers. The lawsuit also accuses Palmore of secretly working for two law firms simultaneously, Napoli Shkolnik and her firm, violating her employment agreement and New York law.

The complaint filed by Napoli Shkolnik alleges that Palmore misrepresented her skillset, experience, and book of business to obtain a position with the firm. Once she joined the firm, she allegedly took advantage of the new remote work environment to quit quietly and simultaneously work for Napoli Shkolnik and her law firm. The lawsuit alleges that Palmore's actions directly violated her employment agreement and breached her fiduciary duty of loyalty to Napoli Shkolnik, designed to enrich herself at the firm's expense.

The complaint further alleges that Palmore's timesheets were fabrications unsupported by the legal work she accomplished. The complaint claims that computer records demonstrate that Palmore was active on her computer for mere minutes a day on the overwhelming majority of workdays in 2023, despite submitting daily time records falsely representing that she spent hours performing legal research and drafting documents. The complaint also accuses Palmore of submitting blatantly false daily time records representing that she had already completed a full day's work before business hours.

Once Napoli Shkolnik uncovered Palmore's actions, the complaint alleges that she attempted "to extort money from the firm by making false and defamatory claims of discrimination directed to 'others' without any factual basis."

David Gottlieb, a partner at Wigdor Law, who represents Palmore, has a different take on the events. Gottlieb called Napoli Shkolnik's lawsuit a "completely bogus preemptive lawsuit" and claimed it was filed after Palmore raised serious discrimination claims against the firm and was preparing to file her action. He stated that the lawsuit was "obviously an act of blatant retaliation" and that he would be moving forward with Palmore's lawsuit in short order, including claims based on this retaliatory conduct.

Lucas Markowitz, an attorney for Napoli Shkolnik, said of the suit, "Ms. Palmore misrepresented her skill set, experience, and book of business to obtain a position with Napoli Shkolnik. She then directly competed with Napoli Shkolnik by leading her law firm. When Napoli Shkolnik began to uncover these misrepresentations, Ms. Palmore defamed the firm to extort additional funds."

The case highlights the challenges employers face during the pandemic, as remote work has made monitoring their employees' productivity and actions more difficult. It also underscores the potential risks for employees who engage in quiet quitting and secretly working for multiple employers, particularly when it violates their employment agreements and fiduciary duties.