

## Federal Judge Reduces Quinn Emanuel's Legal Fee by Half



### Overview of the Case

A federal judge has cut Quinn Emanuel's legal fees for representing health insurers in an Obamacare-related lawsuit by 50%, reducing the amount to \$92.4 million. Initially, the litigation firm was awarded \$185 million for securing a \$3.7 billion judgment on behalf of the insurers. This decision marks a significant reduction in the firm's earnings, though Quinn Emanuel had previously safeguarded most of its compensation through a fee insurance policy.

### Supreme Court Ruling and Initial Award

The lawsuit in question revolved around health insurers seeking compensation under the Affordable Care Act (ACA), commonly known as Obamacare. The US Supreme Court's ruling in 2020 awarded \$3.7 billion in damages to the insurers. Quinn Emanuel, which represented the insurers, was initially granted a substantial fee amounting to nearly 10% of its annual gross revenue. However, a group of health insurers objected to the sum, labeling it excessive. They argued that the fee should be significantly reduced, proposing a range between \$12 million and \$23 million.

### Judge's Rationale Behind the Reduction

In her Thursday ruling, Judge Kathryn C. Davis of the US Court of Federal Claims ruled that a fee of 2.5% of the damages, amounting to \$92.4 million, was a fair and reasonable compensation for Quinn Emanuel's work. She emphasized that the fee reflected the complexity of the case, the substantial outcome achieved, and the firm's risk of nonpayment throughout the legal process. According to Judge Davis, the amount does not constitute an excessive windfall for the firm, which played a critical role in developing the successful legal strategy.

### Legal Risk and Insurance Policy

Following the Supreme Court's favorable ruling, Quinn Emanuel sought a judgment preservation insurance policy to secure their fee. This policy was designed to protect the awarded amount in case the decision faced any legal challenges or was overturned on appeal. This strategic move helped the firm mitigate the potential risk of losing its fees.

### Fee Dispute and Judicial Review

The current decision is the latest chapter in an ongoing dispute over Quinn Emanuel's legal fees. Initially, the firm was awarded 5% of the total damages won in the lawsuit. However, the Federal Circuit Court intervened and halted the payment, instructing the Federal Claims Court to conduct a lodestar analysis. This analysis compares the hours worked by the attorneys to the firm's standard hourly rates to determine the appropriateness of the fee.

### Representation in the Fee Dispute

Interestingly, Quinn Emanuel has been representing itself in this legal battle over fees. The opposing group of health insurers challenging the fee amount has been represented by the law firm Sheppard Mullin.

**Don't be a silent ninja! Let us know your thoughts in the comment section below.**