

# Katten Muchin Strikes Tentative Settlement in Legal Malpractice Lawsuit

The stipulation said attorneys for the law firm and plaintiff CashCall Inc. have "reached a settlement in principle."

By **Meghann M. Cuniff**

A tentative settlement has been reached in a major legal malpractice lawsuit against Katten Muchin Rosenman, halting a trial that was scheduled to begin with jury selection this week.

Attorneys for the Am Law 100 firm and plaintiff CashCall Inc., **filed a stipulation and proposed order Friday** that calls for Orange County Superior Court Judge William Claster in California to vacate the Aug. 16 trial and stay the case for 21 days.

No dollar amount is included. Attorneys are to file a status update or stipulated dismissal by Aug. 27.

The filing said the parties "reached a settlement in principle" and "need additional time to formalize the settlement and prepare the necessary agreements."

Katten's attorney is Brad Brian and Bethany Kristovich of Munger, Tolles, & Olson in Los Angeles. **CashCall's counsel is Jennifer Keller and Reuben**

**Cahn of Keller/Anderle in Irvine, California.** None commented on the tentative settlement.

A Katten spokeswoman said in an email Monday, "We have reached a confidential settlement agreement, and we are satisfied with the resolution."

In addition to Katten, the lawsuit named Washington D.C.-based partner Claudia Callaway as a defendant for her work in advised CashCall on a tribal lending program that resulted in widespread legal action that its lawyers said ruined the company.

Katten denied the accusations, with firm spokeswoman Jacquelyn Heard saying last week that Cash Call "made risky business decisions, disregarding their lawyers' repeated warnings against those decisions." Heard called the damages claim "wildly exaggerated."

The purported deal follows four years of litigation that recently received broad attention after

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Claster **rejected a defense bid to apply Washington, D.C.'s defense-friendly contributory negligence law** instead of California's plaintiff-friendly compensatory negligence law.

The judge's order cleared the way for a potential historic damages award, with CashCall's hired expert prepared to testify to \$750 million to \$950 million. **Keller/Anderle attorneys had pegged damages at "more than \$1 billion" in their most recently amended complaint,** but Claster limited parts of the expert's testimony.

Jury questionnaires were to be distributed on Wednesday, and Claster had agreed to **eliminate from the jury pool anyone who said they weren't vaccinated against COVID-19.**