

For Opinion See [124 S.Ct. 2874](#)

[Related Westlaw Journal Article](#)

Supreme Court of the United States.  
Jerry REGIER, et al., Petitioners,  
v.  
DOES 1-13, et al., Respondents.  
No. 04-1445.  
October Term, 2004.  
April 13, 2004.

Petition for a Writ of Certiorari to the United States  
Court of Appeals for the Eleventh Circuit

Petition for Writ of Certiorari

[Charles J. Crist, Jr.](#), Attorney General.[Christopher M. Kise](#), Solicitor General, Counsel of Record.[Jason Vail](#), Assistant Attorney General, Counsel for Petitioners, Office of the Attorney General, Suite PL-01, The Capitol, Tallahassee, FL 32399, (850)414-3300, (850)488-4872 (fax).

QUESTIONS PRESENTED

1. Whether enhancement of the lodestar amount of an attorney's fee award under [42 U.S.C. s. 1988](#) requires specific findings based on evidence of record that 1) the lodestar amount is unreasonable; 2) any factor relied upon to enhance the lodestar amount is necessary to obtain a reasonable fee; and 3) the degree of enhancement is necessary to obtain a reasonable fee.

2. Whether the record supports the district court's conclusion that this case was so "rare" and "exceptional" as to justify doubling the lodestar fee amount.

**\*II PARTIES TO THE PROCEEDINGS**

The parties to this proceeding are:

Petitioner-defendants: Jerry Regier, Secretary of the Florida Department of Children and Families; Mary El-

len McDonald, District 11 administrator, Florida Department of Children and Families; Michelle Brantley, Assistant Secretary, Florida Department of Children and Families; and Robert Sharpe, Medicaid Director, Florida Agency for Health Care Administration.

Respondent-plaintiffs: the respondents appeared anonymously below.

TABLE OF CONTENTS

QUESTIONS PRESENTED ... i

PARTIES TO THE PROCEEDINGS ... ii

TABLE OF CONTENTS ... ii

TABLE OF AUTHORITIES ... iii

OPINIONS BELOW ... 1

JURISDICTION ... 2

STATUTORY PROVISIONS INVOLVED ... 2

STATEMENT OF THE CASE ... 3

REASONS FOR GRANTING THE PETITION ... 7

**\*iii** I. The orders below conflict with decisions of this court. ... 8

II. The courts of appeals vary widely on the degree of proof and the judicial findings required to justify attorneys' fee enhancements. ... 12

III. The award of fee enhancements against public bodies according to uncertain criteria presents an important public issue. ... 15

CONCLUSION ... 17

TABLE OF AUTHORITIES

Cases

*Blum v. Stenson*, 465 U.S. 886 (1984) ... 7, 9, 10, 13

*City of Burlington v. Dague*, 505 U.S. 557 (1992) ... 11

*Cooper v. Pentecost*, 77 F.3d 829 (5th Cir. 1996), ... 14

*Daggitt v. UFCW, Local 304A*, 245 F.3d 981 (8th Cir. 2001) ... 15

*Doe I-13 v. Bush*, 261 F.3d 1037 (11th Cir. 2001) (*Does II*) ... 4

*Doe v. Chiles*, 136 F.3d 709, 711 (11th Cir. 1998)(*Does I*) ... 4

*Guam Society of Obstetricians and Gynecologists v. Ada*, 100 F.3d 691 (9th Cir. 1996) ... 16

*Hendrickson v. Branstad*, 934 F.2d 158 (8th Cir. 1991) ... 14

\*iv *Hensley v. Eckerhart*, 461 U.S. 424 (1983) ... 7-9, 16

*Hyatt v. Apfel*, 195 F.3d 188 (4th Cir. 1999) ... 14

*In re Miniscribe Corp.*, 309 F.3d 1234 (10th Cir. 2002) ... 14

*In re UNR Industries*, 986 F.2d 207 (7th Cir. 1993) ... 13, 14

*Odima v. Western Tucson Hotel*, 53 F.3d 1484 (9th Cir. 1994) ... 13

*Paschal v. Flagstar Bank, FSB*, 297 F.3d 431 (6th Cir. 2002) ... 15

*Pennsylvania v. Delaware Valley Citizens' Council for Clean Air*, 478 U.S. 546 (1986) ... 10, 11

*Pennsylvania v. Delaware Valley Citizens' Counsel for Clean Air*, 483 U.S. 711 (1987) ... 11

*Planned Parenthood of Central and Northern Arizona v. State of Arizona*, 789 F.2d 1348 (9th Cir. 1986) ... 13

*Van Gerwen v. Guarantee Mutual Life Co.*, 214 F.3d 1041 (9th Cir. 2000) ... 13

*Watkins v. Fordice*, 7 F.3d 453 (5th Cir. 1993) ... 14

#### Statutes and Rules

28 U.S.C. s. 1254(1) ... 2

42 U.S.C. s. 1396a(a)(8) ... 4

\*v 42 U.S.C. s. 1988 ... 2

#### Other Authorities

Andrews, *The Third Alternative: An Alternative to Race Consciousness and Color Blindness in Post-Slavery America*, 54 Ala.L.Rev. 483 (2003) ... 15

Deavel, *Birmingham's Employment Discrimination War*, 38 A.F.L.Rev. 197 (1994) ... 15

Lamb, *The Lodestar Process of Determining Attorneys' Fees: A Guiding Light or Black Hole?*, 27 J.Leg.Pro. 203 (2003) ... 16

Muir, *Analysis of the Valuation of Attorney Work Product According to the Market for Claims: Reformulating the Lodestar Method*, 31 Loy.U.Chi.L.J. 599 (2000) ... 16

\*1 The petitioners, executive branch officials of the State of Florida, respectfully petition the Court for a writ of certiorari to review a judgment of the United States Court of Appeals for the Eleventh Circuit.

#### OPINIONS BELOW

The court of appeals' opinion is unreported. It is reproduced at petitioners' appendix A. The district court's fee judgment is unreported. It is reproduced at petitioners' appendix B.

#### \*2 JURISDICTION

The court of appeals rendered its decision on January 16, 2004. Pet. App. A. This Court has jurisdiction under 28 U.S.C. s. 1254(1).

#### STATUTORY PROVISIONS INVOLVED

Title 42 U.S. Code section 1988 states:

## Proceedings in vindication of civil rights

(a) Applicability of statutory and common law. The jurisdiction in civil and criminal matters conferred on the district and circuit courts by the provisions of this Title, and of Title “CIVIL RIGHTS,” and of Title “CRIMES,” for the protection of all persons in the United States in their civil rights, and for their vindication, shall be exercised and enforced in conformity with the laws of the United States, so far as such laws are suitable to carry the same into effect; but in all cases where they are not adapted to the object, or are deficient in the provisions necessary to furnish suitable remedies and punish offenses against law, the common law, as modified and changed by the constitution and statutes of the State wherein the court having jurisdiction of such civil or criminal cause is held, so far as the same is not inconsistent with the Constitution and laws of the United States, shall be extended to and govern the said courts in the trial and disposition of the cause, and, if it is of a criminal nature, in the infliction of punishment on the party found guilty.

(b) Attorney's fees. In any action or proceeding to enforce a provision of sections 1977, 1977A, 1978, 1979, 1980, and 1981 of the Revised Statutes [\*342 USCS §§ 1981-1983, 1985, 1986], title IX of Public Law 92-318 [20 USCS §§ 1681 et seq.], the Religious Freedom Restoration Act of 1993, the Religious Land Use and Institutionalized Persons Act of 2000, title VI of the Civil Rights Act of 1964 [42 USCS §§ 2000d et seq.], or section 40302 of the Violence Against Women Act of 1994, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorney's fee as part of the costs, except that in any action brought against a judicial officer for an act or omission taken in such officer's judicial capacity such officer shall not be held liable for any costs, including attorney's fees, unless such action was clearly in excess of such officer's jurisdiction.

(c) Expert fees. In awarding an attorney's fee under subsection (b) in any action or proceeding to enforce a provision of sections 1977 or 1977A of the Revised Statutes [42 USCS §§ 1981 or 1981a], the court, in its discretion, may include expert fees as part of the attorney's fee.

## STATEMENT OF THE CASE

The petitioners request the Court to review an order awarding plaintiffs in a civil rights action \$649,869.50 in attorneys' fees. This amount was twice the lodestar. The issue is whether the district court applied the proper standards in enhancing an attorneys' fee lodestar.

This action was filed in March 1992 by 13 anonymous Medicaid-eligible individuals with developmental disabilities. The lawsuit was an attack on waiting lists for placement in intermediate care facilities for the developmentally disabled (ICF/DDs). ICF/DDs are residential treatment facilities that provide 24-hour care and services to severely disabled \*4 individuals with developmental disabilities. *Doe I-13 v. Bush*, 261 F.3d 1037 (11th Cir. 2001) (*Does II*). ICF/DDs are funded through the joint federal-state Medicaid program. *Id.* The respondents contended that they were not being provided ICF/DD services with “reasonable promptness,” as required by 42 U.S.C. s. 1396a(a)(8) and the Fourteenth Amendment to the Constitution. *Doe v. Chiles*, 136 F.3d 709, 711 (11th Cir. 1998) (*Does I*). The petitioners are officials of the Florida Department of Children and Families and the Agency for Health Care Administration, the two state agencies charged with administering ICF/DDs and Medicaid.

The plaintiffs obtained a summary judgment and injunctive relief, which was upheld on appeal. *Does I*. The relief they obtained was that sought in the complaint. They later sought contempt for alleged violations of the judgment, but the Eleventh Circuit overturned a trial court order finding the defendants in contempt. *Does II*.

The plaintiffs moved for attorneys' fees and costs in September 1999, seeking fees of \$339,950.50 for 1193.5 hours of attorney time, 736.8 hours for a “Sr. Partner” at \$350/hour, 107.4 hours for a “Jr. Partner” at \$195/hour, and 349.3 hours for “Associates” at \$175/hour. The plaintiffs requested a 2.0 modifier, which brought their total fee request to \$679,901. The defendants filed specific, line-by-line objections to the requested fees and costs.

In March 1999, the plaintiffs filed a supplemental fees

and costs motion, seeking additional compensation for 183 hours of trial court work. Total fees in this request came to \$94,650, an amount twice the proposed lodestar.

Finally, the plaintiffs sought fees for work on the merits appeal. They claimed \$85,304.50 (\$170,325 with a 2.0 multiplier), reflecting 311.5 hours -- 158.75 hours for the "Sr. Partner" at \$350/hour, 152.10 hours for the "Jr. Partner" at \$195/hour, and .5 hours for "Associates" at \$175/hour. Again, the defendants filed detailed, line-by-line objections, both to the supplemental request and the appellate fees and costs.

\*5 Shortly after the court of appeals issued the mandate on the contempt appeal, the trial court entered an initial order awarding fees and costs. The court awarded fees of \$430,156.25 on the initial and supplemental fee motions. In doing so it applied a 2.0 multiplier, denying every single defense objection. However, the court awarded no costs and said nothing about appellate fees.

The plaintiffs' objected to the order and moved for clarification. The district court then entered the order on review. Pet.App. 2. First, the trial court reduced hourly rates for work in the trial court from those requested by the plaintiffs. Although the plaintiffs asked \$350/hour for Weinger, \$195/hour for Tetzeli, and \$175/hour for associates, the trial court awarded \$250, \$175, and \$125 per hour respectively. The court provided no explanation for this reduction. Pet.App. B 7, 9-11.

Second, as to the number of hours worked, the trial court rejected the defendants' line-by-line objections, stating: "[T]he Court finds the Defendant's assertions to be insufficient as a basis for a finding that the work was reasonable or to defeat the sworn assertions by the attorneys that the hours were necessary." Pet.App. B 8.

The court applied the reduced hourly rates to the plaintiffs' hourly breakdown to reach a sub-lodestar for each billing lawyer. It then added the sub-lodestars to get a composite figure, which it enhanced by a factor of 2. *Id.* at 9-11.

The trial court justified awarding a 2.0 multiplier primarily "because this is a rare and exceptional case where an upward adjustment of the lodestar is appropriate due to exceptional success" and "groundbreaking results." Pet.App. B 9. The court cited a number of other reasons. Altogether, the district court's reasons for awarding an enhancement fell into six general categories: (1) the result obtained was excellent, (2) the case was novel, (3) it was complex, (4) it was lengthy, (5) the plaintiffs' attorneys were skillful, and (6) other counsel was unavailable and the case was undesirable. Pet.App. B at 8-9.

\*6 The district court did not require the respondents to demonstrate that the lodestar yielded an unreasonable fee, nor did it find the lodestar amount unreasonable. Further, the court failed to find that the factors used to enhance the lodestar were not already included in it or that an enhancement was necessary to obtain a reasonable fee.

The trial court made no appellate fee lodestar determination. It failed to fix hourly rates for appellate work or determine the reasonable number of hours expended. Pet. App. 11. Nonetheless, it awarded \$85,304.50 in appellate fees. This number happens to be the amount of fees requested without application of a 2.0 multiplier. Pet. App. B 11.

Altogether, the trial court awarded fees as follows:

Type	Hours	Rate	Lodestar	With 2.0 Multiplier
Initial Fee Petition				
Sr. Partner	736.8	\$250.00	\$184,200.00	\$368,400.00
Jr. Partner	107.4	\$175.00	\$18,795.00	\$37,590.00
Associate	349.3	\$125.00	\$43,662.50	\$87,325.00

Total	1193.5		\$246,657.50	\$493,315.00
Supplemental Fee Petition				
Sr. Partner	81.6	\$250.00	\$20,400.00	\$40,800.00
Jr. Partner	51	\$175.00	\$8,925.00	\$17,850.00
Associate	50.4	\$125.00	\$6,300.00	\$12,600.00
Total	183		\$35,625.00	\$71,250.00
Fees on the Merits Appeal				
Sr. Partner	??	??	??	
Jr. Partner	??	??	??	
Associate	??	??	??	
Total Appellate Fees			\$85,304.50	
	Total Lodestar		\$367,587.00	
Total Fee Award				\$649,869.50

\*7 The circuit court affirmed without opinion. Pet. App. A. (It is not unusual for a circuit court to dispose of an attorneys' fee case without a written opinion. In fact, this court has granted review in two such cases, *Hensley v. Eckerhart*, 461 U.S. 424, 429 (1983); and *Blum v. Stenson*, 465 U.S. 886, 889 (1984)).

#### REASONS FOR GRANTING THE PETITION

This Court has laid down specific guidelines for awarding enhancements to the attorneys' fee lodestar. Despite this specific guidance, the treatment of fee enhancements by the courts of appeals has not been consistent either with this Court's directives or with each other. Lodestar enhancements have been capriciously awarded by several courts of appeals in a variety of circumstances without paying heed to this Court's instructions for the need for specific facts in the record that the lodestar amount yield an unreasonable fee or that a given enhancement is necessary to obtain a reasonable fee (as happened in this case). Other courts of appeals, on the other hand, have followed the Court's instructions.

The substantial amounts of money involved in attorneys' fee litigation — multiplied by enhancements —

threaten the fiscal integrity of public programs, because unreasonably high fee awards can result in less money available for public services.

\*8 Because the courts of appeal use inconsistent standards and methods in determining fee enhancements, such awards are capricious and inconsistent. The failure to apply clear, objective standards to such awards encourages the parties to litigate fee disputes. This fee litigation unnecessarily increases the judiciary's workload. What should be a process that is relatively easy to administer instead often becomes a "second major litigation."

This Court should revisit the question of fee enhancements once more to bring order, objectivity, and regularity to a process that is too often chaotic and unreasonable.

I. The orders below conflict with decisions of this court.

This Court's decisions leave no doubt that it is the truly rare case that may command a fee multiplier. The lodestar is presumed to yield a reasonable fee. The fee petitioner has the burden of demonstrating the lodestar fee is unreasonable and enhancement is necessary to reach a

reasonable fee. Such a showing must be supported by specific evidence in the record, and the courts must make specific, detailed findings why the lodestar is unreasonable and why the requested enhancements are necessary. The decisions below fail to meet the standards this Court has set for enhancement of the lodestar amount.

This Court's body of law dealing with attorneys' fee enhancements or "multipliers" is well developed. The first case to deal with the topic is *Hensley v. Eckerhart*, 461 U.S. 424 (1983). *Hensley* is a "partial success" case, meaning that the plaintiffs succeeded on some, but not all, of their claims. When the plaintiffs petitioned for fees, they requested an enhancement ranging from 30-50 percent. The district court refused the enhancement. The issue was how to calculate an appropriate, reasonable fee when an attorney's work in the case may not have contributed to the result. This Court focused on the relationship that existed between the "results obtained" — the \*9 degree of success achieved in the litigation — and an award of attorneys' fees. *Id.* at 432. The district court's paramount task is to determine a reasonable fee. *Id.* at 433. The "most useful starting point" for determining the reasonable fee is to calculate the product of "reasonable hours" times "a reasonably hourly rate." *Id.* "This calculation provides an objective basis on which to make an initial estimate of the value of an attorney's services." *Id.* This product is the "lodestar."

Determination of lodestar, however, "does not end the inquiry." *Id.* at 434. Other considerations "may lead the district court to adjust the fee upward or downward." *Id.* In a partial success case "the product of hours reasonably expended on the litigation as a whole times a reasonable hourly rate may be an excessive amount." *Id.* at 436. Thus, the lodestar may yield an unreasonable fee.

The Court elaborated on the *Hensley* principles in *Blum v. Stenson*, 465 U.S. 886 (1984). *Blum* reaffirmed that the first step in an attorneys' fee analysis is determination of the lodestar. *Id.* at 888. While this Court termed the lodestar an "estimate" that might be subject to modification "as necessary," *id.*, it emphasized that the lodestar was far more than a "rough guess." *Id.* at 897. In

fact, the Court held that the lodestar was "presumed to be the reasonable fee." *Id.*

Because the lodestar is presumed to be the reasonable fee, the *Blum* court went on to discuss when modifications — upward or downward — are justified to that figure. The district court had enhanced the lodestar 50 percent "because of the quality of representation, the complexity of the issues, the riskiness of success, and the 'great benefit to the large class' that was achieved." *Id.* at 891. But this Court rejected these justifications for enhancement one after another on the ground that they are all subsumed into either the hourly rate or the number of hours worked. *Id.* at 898-900. Thus, novelty, complexity of the issues, and the skill of counsel "should be reflected in the reasonableness of the hourly rates." *Id.* at 898. The quality of representation also is reflected in the hourly rate. \*10 *Id.* at 899. The benefit to the class as well "generally will be subsumed within other factors used to calculate a reasonable fee [so] it normally should not provide an independent basis for increasing a fee award." *Id.* at 900. Moreover, the Court observed that the district court had failed to "explain ... exactly how this determination affected the fee award." *Id.* at 899. Last, the Court concluded that the plaintiffs had failed to show by specific evidence in the record that the contingency of the risk of loss justified the fee enhancement. *Id.* at 901.

The *Blum* court made clear that the burden of demonstrating the need for an enhancement lay with the fee petitioner who must offer "evidence that enhancement was necessary to provide fair and reasonable compensation." *Id.* at 901. Like no other case from this Court, *Blum* sets the standard: the presumptive reasonableness of the lodestar, the burden to demonstrate how the lodestar is unreasonable and why a particular enhancement is necessary to obtain a reasonable fee. *Blum* also imposes an obligation on the district court to make specific findings about the inadequacy of the lodestar and the need for a particular enhancement.

The *Blum* court also rejected the practice of routinely awarding a fee enhancement because of "results obtained." This factor "generally will be subsumed within other factors used to calculate a reasonable fee." *Id.* at

900. The number of people benefitted is also not a significant factor in determining the fee award. *Id.* at 900 n. 16.

*Blum* is not the last word on enhancements. Because of recurring confusion among the courts of appeals, this Court has revisited the question of when enhancements are appropriate. In *Pennsylvania v. Delaware Valley Citizens' Council for Clean Air*, 478 U.S. 546 (1986), the Court reaffirmed that the lodestar is presumptively reasonable. *Id.* at 564. This presumption is a strong one. *Id.* at 565. The Court rejected the fee applicant's claim that the quality of their attorneys' representation by itself supported a fee enhancement: "the lodestar figure includes most, if not all, of the relevant factors constituting a \*11 'reasonable' attorney's fee ..."*Id.* at 566. Because attorney skill is already accounted for in the lodestar, a fee enhancement for that reason is "double counting." *Id.* at 566. While the Court did not rule out the possibility of upward enhancements, it emphasized that "such modifications are proper only in certain 'rare' and 'exceptional' cases, supported by both 'specific evidence' in the record and detailed findings by the lower courts." *Id.* at 565.

A year later, the *Delaware Valley* attorneys' fee dispute returned to this Court for consideration of whether a fee could be enhanced because of contingency risk, *Delaware Valley II, Pennsylvania v. Delaware Valley Citizens' Counsel for Clean Air*, 483 U.S. 711 (1987). A plurality of the Court held that it could not, as this factor was subsumed by the lodestar. *Id.* at 727-731. The underlying teachings of *Blum* guided the thinking of the plurality. The Court reemphasized that the presumptive reasonableness of the lodestar limited enhancements to exceptional or rare cases "where the need and justification for such enhancement are readily apparent and are supported by evidence in the record and specific findings by the courts." *Id.* at 728. Moreover, as a general rule, any enhancement should not exceed one-third. *Id.* at 720. "Any additional enhancement would require the most exacting justification." *Id.*

The notion that contingency risk does not support an enhancement gained majority support in *City of Burlington v. Dague*, 505 U.S. 557 (1992). Citing *Blum*, this

Court held that the fee applicant has the burden of showing that " 'such an adjustment is *necessary* to the determination of a reasonable fee.' " *Id.* at 562 (emphasis the Court's).

In sum, the Court's decisions make it clear that the lodestar amount is a presumptively reasonable fee. The fee applicant can overcome this presumption only with specific evidence showing that the lodestar amount is unreasonable. The applicant must demonstrate that the requested basis for enhancement is not otherwise subsumed by the lodestar and is necessary to make the fee reasonable. The district and circuit courts must make \*12 specific findings on these factual matters. Only then does a case become sufficiently "rare" or "exceptional" as to warrant a fee enhancement. Finally, if the court believes that an enhancement of more than one-third the lodestar is warranted, the "most exacting justifications" are required, which in turn require specific judicial fact-finding.

Here, the district court required far less of the fee applicant than this Court demands. It failed to require the applicant to show that the lodestar resulted in an unreasonably low fee or to make findings to that effect. It failed to require the applicant to demonstrate why enhancement factors were not already subsumed in the lodestar and why enhancement was necessary to obtain a reasonable fee. It further failed to make the specific findings this Court requires. The district court failed to articulate why the amount awarded constituted a reasonable fee. Moreover, the multiplier selected to reach the amount awarded was far higher than at least a plurality of this Court has been willing to accept without detailed justification. Finally, the district court enhanced the lodestar for reasons that this court has said are generally subsumed by the lodestar.

In order to ensure that this Court's policy of sharply limiting fee enhancements and requiring strict proof of their need is heeded by the lower courts, the Court should grant the writ and spell out in precise terms the precise analytical steps required before granting a fee enhancement.

II. The courts of appeals vary widely on the degree of

proof and the judicial findings required to justify attorneys' fees enhancements.

The district court failed to determine that the lodestar was inadequate or to justify the enhancement according to the standards set by this Court. The circuit court affirmed without \*13 opinion. The effect of such an affirmation was to adopt the opinion of the trial court as that of the circuit court.

Other circuits engage in much more rigorous review. In *Planned Parenthood of Central and Northern Arizona v. State of Arizona*, 789 F.2d 1348 (9th Cir. 1986), the district court awarded a fee multiplier for the plaintiffs' degree of success in the lawsuit and the contingency of the recovery. *Id.* at 1353. Guided by this Court's opinion in *Blum v. Stenson*, the Ninth Circuit panel rejected the contention that success alone was enough to support a fee enhancement. *Id.* Success is subsumed by the lodestar. *Id.* "Many clients with reasonable bargaining power would insist upon paying no more. We do not think the State of Arizona should be required to shoulder a greater burden." *Id.* The court rejected the claim that risk contingency warranted a multiplier in large part because "there is no evidence in the record that the representation actually posed a substantial risk to the law firm's business or that any risk presented was not adequately taken into consideration in setting the hourly rate." *Id.* at 1354. The court said that *Blum* precluded the use of a multiplier "unless the successful plaintiff has demonstrated that the lodestar amount does not represent a fully compensatory fee. The plaintiffs in this case have made no such showing ..." *Id.*

The Ninth Circuit reaffirmed these principles in *Van Gerwen v. Guarantee Mutual Life Co.*, 214 F.3d 1041, 1046-1047 (9th Cir. 2000) (vacation of downward adjustment of .75 and remand when district court failed to find that the lodestar amount was unreasonable or explain why the hourly rate did not fully account for the quality of representation). See also *Odima v. Western Tucson Hotel*, 53 F.3d 1484 (9th Cir. 1994) (error to award 50 percent enhancement when there was insufficient evidence in the record that the lodestar failed to yield a reasonable fee).

The Seventh Circuit's handling of enhancements is also at odds with the analysis in this case. In *In re UNR Industries*, 986 F.2d 207 (7th Cir. 1993), the question was payment of a \*14 bankruptcy trustee's fees. The circuit court held that a lodestar approach was preferable to a common fund approach often used in bankruptcy matters, and that no enhancement was warranted. The court said, "such enhancements are not proper when the compensation awarded is reasonable." *Id.* at 211.

The Fifth Circuit's approach mirrors that used in the Ninth and Seventh circuits. In *Cooper v. Pentecost*, 77 F.3d 829 (5th Cir. 1996), the plaintiffs sought a \$5 enhancement in their hourly rate and then a 2.0 enhancement as punishment for failure to comply with a consent decree. The circuit court held that no enhancement was warranted, relying on the principle that it "is appropriate for a court to enhance the lodestar amount only in certain exceptional cases where the prevailing party demonstrates that the enhancement is necessary to make the lodestar reasonable." *Id.* at 833. The *Cooper* district court found it had no authority to enhance the lodestar and the circuit court affirmed. *Id.* at 834. See also *Watkins v. Fordice*, 7 F.3d 453, 459 (5th Cir. 1993).

The Eighth Circuit in *Hendrickson v. Branstad*, 934 F.2d 158 (8th Cir. 1991), also rejected a 25 percent enhancement because of the fee applicant's failure to demonstrate factually why "an enhancement based on exceptional results was necessary to provide counsel with a reasonable fee." *Id.* at 162. Unlike the courts below in this case, the Eighth Circuit emphasized that enhancements "must be supported by specific evidence in the record and detailed findings by the lower court." *Id.*

Other circuits have ignored or skirted the requirement for specific facts in the record to justify an enhancement, for a finding that the lodestar is inadequate and for findings as to why a particular factor would make for an enhanced, reasonable fee. See *Hyatt v. Apfel*, 195 F.3d 188, 191-192 (4th Cir. 1999) (1.33 multiplier upheld without required findings); *In re Miniscribe Corp.*, 309 F.3d 1234, 1246 (10th Cir. 2002) (2.57 multiplier approved without findings).

\*15 In *Paschal v. Flagstar Bank, FSB*, 297 F.3d 431



(6th Cir. 2002), the circuit court approved a 50 percent enhancement where the district court had concluded only that the hourly rate awarded was “modest.” The rate was below market, which could lead one to conclude the lodestar was unreasonable. But the district and circuit courts never went so far as to conclude the lodestar was inadequate. Nor did the circuit court require the district court to analyze why and how a given factor produced a reasonable fee.

The Eighth Circuit also approved a fee enhancement when the lodestar was “modest” without any specific evidence or finding that the amount was unreasonable. *Daggitt v. UFCW, Local 304A*, 245 F.3d 981, 990 (8th Cir. 2001) (25 percent enhancement approved).

In sum, there is little uniformity — and much caprice — both in the courts' analytical approach and in the amount of modifiers awarded. They can range from 25 percent to more than 2.57 times without any meaningful explanation of how or why the amount of the enhancement is necessary to achieve a reasonable fee. The courts of appeals' inconsistent approaches should not be allowed to continue.

III. The award of fee enhancements against public bodies according to uncertain criteria presents and important public issue.

The impact of attorneys' fee awards on public bodies is no trivial matter. The amounts awarded can be substantial, ranging into the millions of dollars per case. See e.g., Deavel, *Birmingham's Employment Discrimination War*, 38 A.F.L.Rev. 197 (1994) (\$2.5 million fee in Title VII case). In fact, fee awards — granted by Congress with the best of intentions to prevailing plaintiffs in fee shifting cases — can actually *reduce* funds available for public services. See e.g., Andrews, *The \*16 Third Alternative: An Alternative to Race Consciousness and Color Blindness in Post-Slavery America*, 54 Ala.L.Rev. 483, 526 (2003). Thus, improperly imposed fee enhancements, which substantially inflate fee awards, threaten the financial stability of public programs and services and could result in diminished public services for all.

The fee lodestar has been criticized for producing inconsistent results which have “damaged the objectivity and predictability of fee awards.” Lamb, *The Lodestar Process of Determining Attorneys' Fees: A Guiding Light or Black Hole?*, 27 J.Leg.Pro. 203, 207 (2003). However, this “problem is also exacerbated by the inconsistent use of multipliers. These multipliers range anywhere from zero to four, producing wildly varying results.” *Id.*

One factor relied on by the district court in this case to justify the multiplier, that other counsel were unavailable and the plaintiffs were unpopular, necessitates inquiry into community attitudes and local supply-and-demand of counsel. Substantial differences as to those facts are nearly inevitable, coloring the outcome and potentially producing bitter divisions. See e.g., majority opinion and dissent in *Guam Society of Obstetricians and Gynecologists v. Ada*, 100 F.3d 691 (9th Cir. 1996).

The other factors relied on by the district court in this case to enhance the fee will never produce consistent results. The degree of success, the novelty of the issues, the complexity of the case, and the skill of the plaintiffs' lawyer can be used to justify any outcome and are not appropriate when a court awards compensation for every hour reasonably spent on the case. The failure of courts to apply uniform fee standards frustrates this Court's objective of preventing fee disputes from exploding into complex, time-consuming secondary litigation. *Hensley*, 461 U.S. at 437 (“A request for attorney's fees should not result in a second major litigation.”); Muir, \*17 *Analysis of the Valuation of Attorney Work Product According to the Market for Claims: Reformulating the Lodestar Method*, 31 Loy.U.Chi.L.J. 599, 615 (2000) (“federal courts do not apply the lodestar method uniformly. The resulting chaotic state of law fosters an excessive amount of litigation concerning the proper fee amount.”).

Capriciously imposed fee enhancements endanger both the public treasury and public confidence in the judicial process. If enhancements are justified at all, they must be based on clearly articulated, not arbitrary, standards and on facts specifically set out in the record.

CONCLUSION

For these reasons, the Court should grant the petition.

[Related Westlaw Journal Article\(Back to Top\)](#)

[11 NO. 6 Andrews Class Action Litig. Rep. 2](#)

[7 NO. 1 Andrews Nursing Home Litig. Rep. 5](#)

Jerry REGIER, et al., Petitioners, v. DOES 1-13, et al.,  
Respondents.

2004 WL 839419 (U.S. ) (Appellate Petition, Motion  
and Filing )

END OF DOCUMENT