



Sanford L. Michelman

Co-Founding Partner

Advertising & Digital Media, Banking & Financial Services, Insurance

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Profile

Sanford L. Michelman, Chairman and Co-Founder of M&R, is a partner in the firm's Los Angeles Office. He focuses his practice across industries, with a particular expertise in the insurance, financial services, advertising and digital media spaces. Named the "Litigation Attorney of the Year" for 2021 by the *Los Angeles Business Journal*, he is routinely called upon to represent clients in the most difficult and complex "bet-the-company" matters that play out in arbitration, administrative proceedings and in state and federal courts all over the country.

Having defeated scores of class actions and large exposure cases, Sanford is sought after by insurers, broker/agents, underwriters, private equity groups, banks and leading businesses throughout the U.S for representation. He also acts on behalf of clients like these in investigations conducted by various

governmental agencies including Departments of Insurance, Attorney General's Offices, Department of Justice, Securities and Exchange Commission, Federal Trade Commission and Department of Real Estate, among others.

Sanford not only serves clients in matters involving the U.S. government, he has also represented the government itself and handled matters for government officials. He assisted U.S. Senator Howard M. Metzenbaum (D-Ohio) in the investigation of Executive Life Insurance, Inc. and the nomination of Associate Justice Clarence Thomas to the U.S. Supreme Court. In 2001, the Governor of California appointed Sanford to the State Athletic Commission, of which he was elected Vice-Chairman in 2002 and Chairman in 2004. More recently, Sanford was elected as a member of the Federal Reserve Bank of San Francisco's board of directors in 2016. Currently, he is the Chair of the Federal Reserve Bank's Audit and Risk Management Committee.

Community Involvement

A significant contributor to the Los Angeles community, Sanford was the recipient of the Discovery Award by the Zimmer Children's Museum. He formerly sat on the museum's Board of Directors. In addition, Sanford has been honored by the California State Bar for his pro bono work at Bet Tzedek.

Associated Industries

Advertising & Digital Media, Banking & Financial Services, Insurance

Associated Practices

Class Action & Complex Litigation

Representative Matters

Banking Shareholder Litigation: Shareholders of a regional industrial loan company (e.g., a premium finance company) filed litigation to determine which faction could ultimately have control of the company. Mr. Michelman was able to prove that his client should retain control, and that there should be a forced (and nominal) buyout of the other shareholders., **Commercial and Business Litigation:** Obtained an eight-figure verdict after a seven-day federal court trial on behalf of a full-service global private aviation company that sued its former Assistant Director of Operations for breach of contract and breach of duty of loyalty and associated entities for intentional interference with contractual relations. The case stemmed from the ex-employee stealing the aviation firm's customers., **Commercial and Business Litigation – Investment Advisor:** After the fall of a high profile hedge fund, investors sued senior executives, alleging fraud. It was revealed that certain executives had orchestrated a Ponzi scheme. With hundreds of millions of dollars at issue, Mr. Michelman established that his client was not part of the scheme. After hard and aggressive litigation, M&R secured a dismissal of the entire case., **Commercial and Business Litigation – Shareholder/Partnership Dispute:** Shareholders filed suit alleging \$140 million in damages against the company's CEO, executives and board members, alleging that they were "duped" into selling their shares just prior to the sale of the company for greater value. The clients were on the eve of settling for approximately \$40 million and decided to change counsel. Mr. Michelman redesigned the defense, and after two years of litigation,

obtained a dismissal terminating the case., Commercial and Business Litigation – Shareholder/Partnership Dispute: A large energy company was in the middle of shareholder litigation over control of the company, among other issues, including fraud by board members and executives. On the eve of a settlement for less than the value of the clients' shares, the clients changed counsel. Mr. Michelman designed a defense that included the filing of a lawsuit against the parties that sought control. After approximately a year of litigation, the case was resolved with M&R securing approximately \$45 million for its clients., Employment, Trade Secrets and Business Litigation: The former regional president of a national insurance brokerage left the company, along with trade secrets, client lists and customers. The former president was also allegedly entitled to a multi-million dollar buyout of his shares in the company. A lawsuit was filed against the former president for breach of contract and theft of trade secrets. It was argued that the value of those claims offset the value of the buyout of the shares. The case settled for \$5,000, in favor of M&R's clients, with an order barring the former president from use of the stolen trade secrets., Insurance Brokerage Enforcement Action: A large regional insurance brokerage was alleged to have inadequate customer service standards, have "dipped" into trust funds worth millions of dollars, and have employed unlicensed insurance professionals. The Department of Insurance sought to put the brokerage out of business. Mr. Michelman tried the case over multiple months, in four different cities. Part of the strategy was to compare the Department's service levels to that of the brokerage. This strategy proved successful, with the court dismissing the allegations and ruling that the license remain intact without sanctions. The brokerage received a nominal penalty of \$16,000., Insurance Brokerage Enforcement Action: Former California Insurance Commissioner, Chuck Quackenbush, publicly accused a large personal lines insurance brokerage of defrauding consumers, subsequently starting an enforcement action to revoke its license and fine its principals. During the course of the trial, which included hundreds of witnesses, it was discovered that Commissioner Quackenbush may have violated the law. As a result, the defense was entitled to his deposition, a unique and highly unusual request of a sitting insurance commissioner. Insurance Commissioner Quackenbush subsequently left office under a cloud of suspicion for alleged kick-backs, and the case was dismissed in its entirety., Insurance Brokerage Enforcement Action: The Department of Insurance searched an insurance brokerage without a search warrant and sought to then revoke its license and issue a fine for minor administrative violations. Mr. Michelman argued that the regulation was a violation of the United States Constitution's 4th Amendment protections. After an administrative trial, the regulation was declared illegal. The department rejected the ruling, bumping the case to the superior court. The superior court agreed with the administrative law judge, and upheld the decision. On appeal, the appellate court also upheld the decision. As a result, the case was dismissed, forcing a change of the department's search procedures., Insurance Company Administrative & Regulatory Enforcement Actions: A large national insurance company received an enforcement action by the Department of Insurance alleging that it was violating Proposition 103, which pertains to automobile insurance rates. The department sought significant change of business practices and a \$25 million fine. Mr. Michelman sued the department, contending that the enforcement action was illegal as it was trying to enforce an "underground regulation"; a regulation that is not law. In a lengthy decision, the court held that the department's actions were illegal and dismissed the case., Insurance Company Consumer Litigation: A large international insurance company was sued by a large public company policyholder contending that the insurance product was illusory, illegal and evidenced a pattern and practice justifying over \$100 million in damages. Mr. Michelman devised a defense strategy that included filing suit against the policyholder for failing to pay certain premiums pursuant to the policy. Through litigation, M&R secured a dismissal of the lawsuit, and recovered approximately \$5 million from the plaintiff., Insurance Consumer Class Action: Mr. Michelman successfully defended a national

insurance brokerage against a class action alleging that the recording of customer telephone calls without proper disclosures was a violation of California statutes. At that time, California courts were interpreting this type of conduct as illegal and holding to the statutory damages of \$5,000 per call. In this case, there were approximately 600,000 alleged calls and potentially billions of dollars in statutory damages. Mr. Michelman designed a defense predicated on the legislative intent of the statute dating back to 1967, arguing that the statutes at issue were intended to protect against “industrial espionage.” After intense argument, the court agreed with the defense and dismissed the case in favor of his client.

Insurance Employment Class Action: A prominent insurance brokerage was held liable for violating California’s wage and hour overtime laws, among related issues. Facing a \$42 million judgment, the client retained Mr. Michelman. After conducting in-depth analysis, Mr. Michelman designed a defense around the argument that the \$42 million judgment should be reduced to \$1.2 million because of a conflict in federal and state employment laws that were being misapplied by the plaintiffs’ lawyers. Specifically, the plaintiffs contended that pursuant to California’s Business & Professions Code section 17200 (Unfair Competition Laws), it could expand the “class” under federal law. Mr. Michelman countered that the United States Congress changed the law in the 1930’s, and again in 1949, to prohibit the expansion of federal law as being applied in this case. After intense litigation regarding the legislative intent, the federal court agreed, limiting the judgment to \$1.2 million. On appeal, the Ninth Circuit upheld the ruling.

Media Company Derivative Shareholder Litigation: A founder of one of the largest media companies in its space was under attack from shareholders seeking to take control of the company. In a strategy designed to retain control or force a lucrative buyout, Mr. Michelman filed a lawsuit that was eventually resolved, with an approximate 40 percent premium over the value of the founder’s shares.

Media Investment Litigation: A media company raised money to finance a slate of movies over the course of five years. The movies were released and performed poorly. The investors sued, alleging fraud and lack of disclosure, among other allegations. Plaintiffs alleged \$2 billion in damages. The lawsuit had various disputes in England, New York, Pennsylvania and California. M&R represented the defense and, after lengthy litigation against multiple law firms, obtained a defense dismissal, terminating the case.

Patent Infringement and Shareholder Litigation: An automotive supplier’s product was being infringed upon. In addition, the shareholder of a subsidiary company was attempting to take control of the entire company. Mr. Michelman designed a strategy of litigation regarding the patents, the scope of the corporate governance documents and, ultimately, the sale of the company. After two years of intense litigation, Mr. Michelman was able to retain control and sell the company for the highest multiple seen in that industry; well over nine figures.

Private Equity Fund Governmental Investigation: A high profile private equity firm was being investigated by various agencies, including the SEC, the Department of Justice and multiple offices of the Attorney General, which sought to fine the fund over \$30 million. A large and well-known national law firm was unable to resolve the investigations, so the client retained Mr. Michelman. After years of litigation in eight different jurisdictions, against numerous agencies, the case was resolved with “closing letters” received from certain agencies, stating that the investigation was over. Mr. Michelman and his team later obtained a \$9 million investigation reimbursement for the client from a third party.

Private Equity Fund Manager Litigation: A client was sued for \$25 million by a state pension fund and other investors. Mr. Michelman designed a defense that examined the method of pension plan investment strategies. Following almost five years of protracted litigation, a complete dismissal of the fund manager from the case was obtained.

Insurance Consumer Class Action: A large insurance company was sued over allegations that its distribution channel comprised of brokers were actually “de-facto” agents. The plaintiffs sought an injunction and damages that equated to approximately \$600 million for the defendant. Mr. Michelman designed a multi-prong defense that included arguments that the class

representative was “inadequate” and the actions of the insurer and broker were compliant. After lengthy litigation, Mr. Michelman defeated the plaintiffs’ attempt to certify the class, and had the class representative declared “inadequate” and removed. Immediately thereafter, the plaintiffs voluntarily dismissed the case. Following this case, Mr. Michelman successfully defended ten other similar class actions., and Structured Financing: Represented a leading aviation services platform and top ten charter operator in a refinancing transaction resulting in it raising \$60 million in equity and debt to fund a number of strategic initiatives.

Bar & Court Admissions

- State Bar of California
- U.S. Court of Appeals for the Ninth Circuit
- U.S. District Courts for the Northern, Central, Eastern, and Southern Districts of California

Professional Affiliations

- Federal Reserve Bank of San Francisco (Board of Directors)
- Litigation Counsel of America (Member)
- Los Angeles County Bar Association (Past Committee Member)
- San Fernando Valley Bar Association (Past Board of Directors)

Community Involvement

- Insurance Industry Charitable Foundation (Past Board of Directors)
- Phoenix Rising FC (Past Board of Directors)
- The Zimmer Children’s Museum (Past Board of Directors)
- Buckley School (Past Board of Trustees)
- Young Presidents Organization (Past Board Member)

Education

- Harvard Business School
- Southwestern University School of Law, J.D.
- University of Madrid, Spain
- University of California, Los Angeles, B.A.

Award & Special Recognition

- LA500, *Los Angeles Business Journal* (2021-2022)
- Top 100 Lawyers, *Los Angeles Business Journal* (2022)
- Member, *Forbes Council* (2022)
- Litigation Attorney of the Year, *Los Angeles Business Journal* (2021)
- Leader of Influence (Litigators & Trial Attorneys), *Los Angeles Business Journal* (2018-2019)
- Leader in Law, *Los Angeles Business Journal*
- 50 “Very Best Litigators” in Los Angeles, *Los Angeles Business Journal* (2018-2019)

- Southern California Super Lawyers, *Super Lawyers Magazine* (2004-2022)
- Best Lawyers in America USA Guide (Commercial Litigation and Insurance Law), *Best Lawyers* (2015-2021)
- Recommended by The Legal 500 along with M&R's Commercial Litigation Practice Group (2018)
- Member of the Litigation Counsel of America, an invitation-only trial lawyer honorary society
- Top 25 Lawyers and Top 40 Under 40, *San Fernando Valley Business Journal*
- Top 20 Under 40, *Daily Journal*
- Valor Award, *Daily Journal*
- Who's Who in Law, *Marquis*
- Leading Lawyers in America, *LawDragon*
- Top 100 Attorneys in Southern California, *Super Lawyer Magazine*

Newsroom

Headlines - 05/13/2022 10:00am

Sanford Michelman Designated a "Top 100 Lawyer"

Media Mentions - 01/31/2022 10:00am

Michelman & Robinson, a New Player in Dallas, Adds Houston Office

Media Mentions - 01/15/2022 10:00am

Why the associate compensation market is nuts & won't work for long-term retention

Headlines - 05/31/2021 10:00am

Sanford Michelman Named to Los Angeles Business Journal's LA 500

Headlines - 11/16/2020 12:00am

Sanford Michelman, Dana Kravetz and Ronald Camhi Nominated as Leaders in Law

Media Mentions - 01/21/2020 12:00am

Vista Equity Sued By Portfolio Company Founder

Media Mentions - 09/09/2019 12:00am

Vista-Backed Solera Sued by Company's Founder

Headlines - 08/19/2019 12:00am

Los Angeles Business Journal Recognizes Sanford Michelman in L.A.'s Top Litigators for 2019

Media Mentions - 07/17/2019 12:00am

Law Firm Leaders: Michelman's Sanford Michelman

Media Mentions - 04/09/2019 12:00am

Jet Edge International raises \$60 million investment from Solace Capital with help from Michelman & Robinson, O'Melveny

Events - 07/22/2017 12:00am

Insurance Compliance & Best Practices

Headlines - 12/28/2016 12:00am

Sanford Michelman Elected to Board of Directors of Federal Reserve Bank of San Francisco

Media Mentions - 01/20/2016 12:00am

Michelman & Robinson Representing David Lowery in \$150 million Class Action Against Spotify