

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

BETTY GREEN * Docket No. 2:21-cv-0822
* Docket No. 2:22-cv-2991
* Docket No. 2:22-cv-4250
* Docket No. 2:22-cv-5523
*

VERSUS * December 13, 2022
*

STATE FARM FIRE & CASUALTY *
INSURANCE * Lake Charles Division

DAN SPIVEY * Docket No. 2:22-cv-5588
*

VERSUS * December 13, 2022
*

ALLSTATE VEHICLE & PROPERTY *
INSURANCE * Lake Charles Division

AARON HARRIS * Docket No. 3:22-cv-5428
*

VERSUS * December 13, 2022
*

NATIONAL GENERAL INSURANCE * Monroe Division

NICOLE McCOY * Docket No. 3:22-cv-5541
*

VERSUS * December 13, 2022
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ALLIED TRUST INSURANCE * Monroe Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

DARRELL WILLIAMS * Docket No. 2:22-cv-3037
 * Docket No. 2:22-cv-3314
 * Docket No. 2:22-cv-4504
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 VERSUS * December 13, 2022
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 STATE FARM FIRE & CASUALTY *
 INSURANCE * Lake Charles Division

 MELVIN ADDISON * Docket No. 2:22-cv-3431
 * Docket No. 2:22-cv-3547
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 VERSUS * December 13, 2022
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 ALLSTATE VEHICLE & PROPERTY *
 INSURANCE * Lake Charles Division

 NANCY CROCKETT * Docket No. 2:22-cv-4217
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 VERSUS * December 13, 2022
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 GREAT AMERICAN INSURANCE * Lake Charles Division

 VELMA AND MURPHY FRAZIER * Docket No. 2:22-cv-4451
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 AMERICAN BANKERS INSURANCE * Lake Charles Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

NATHANIAL VEAL * Docket No. 1:22-cv-3243
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VERSUS * December 13, 2022
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SOUTHERN FIDELITY INSURANCE * Alexandria Division

YVONNE ZEIGLER STEWART * Docket No. 1:22-cv-4415
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VERSUS * December 13, 2022
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AMERICAN BANKERS INSURANCE * Alexandria Division

DERONDA ASHLEY * Docket No. 1:22-cv-4445
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VERSUS * December 13, 2022
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LIBERTY MUTUAL * Alexandria Division

EROTICA LUCKETT * Docket No. 1:22-cv-4439
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VERSUS * December 13, 2022
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AMERICAN BANKERS INSURANCE * Alexandria Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

ROLAND HILL * Docket No. 1:22-cv-4420
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VERSUS * December 13, 2022
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SOUTHERN FIDELITY INSURANCE * Alexandria Division

JOHNNY GARRISON * Docket No. 2:22-cv-5154
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VERSUS * December 13, 2022
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AMERICAN SECURITY INSURANCE * Lake Charles Division

DONALD HATCH * Docket No. 1:22-cv-3228
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ALLSTATE VEHICLE & PROPERTY INSURANCE * Alexandria Division

SAMMY HUNTER * Docket No. 3:22-cv-3447
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UNITED NATIONAL INSURANCE * Monroe Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

MELISSA ROLLINS * Docket No. 3:22-cv-4895
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VERSUS * December 13, 2022
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UNITED NATIONAL INSURANCE * Monroe Division

RONALD McCLAIN * Docket No. 3:22-cv-4897
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UNITED NATIONAL INSURANCE * Monroe Division

SALLIE WASHINGTON * Docket No. 3:22-cv-4902
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UNITED NATIONAL INSURANCE * Monroe Division

CLAUDIA THOMAS * Docket No. 6:22-cv-3993
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VERSUS * December 13, 2022
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UNITED NATIONAL INSURANCE * Lafayette Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

TRAHAN MELVIN * Docket No. 6:22-cv-4540
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VERSUS * December 13, 2022
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UNITED NATIONAL INSURANCE * Lafayette Division

ALVIN DAVIS * Docket No. 6:22-cv-4585
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UNITED NATIONAL INSURANCE * Lafayette Division

SHIRLEY RHINE * Docket No. 6:22-cv-4601
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UNITED NATIONAL INSURANCE * Lafayette Division

JERRY BERRY * Docket No. 2:22-cv-3471
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VERSUS * December 13, 2022
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AMERICAN BANKERS INSURANCE * Lake Charles Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

VERONICA LUCAS * Docket No. 1:22-cv-3368
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VERSUS * December 13, 2022
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AMERICAN BANKERS INSURANCE * Alexandria Division

DWAYNE ESPREE * Docket No. 6:22-cv-4798
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VERSUS * December 13, 2022
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AMERICAN BANKERS INSURANCE * Lafayette Division

PATRICIA GIBBS * Docket No. 1:22-cv-3248
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VERSUS * December 13, 2022
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AMERICAN BANKERS INSURANCE * Alexandria Division

ISIAIAH SERRETTE * Docket No. 2:22-cv-4863
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VERSUS * December 13, 2022
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AMERICAN BANKERS INSURANCE * Lake Charles Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

MINERVA CADENA * Docket No. 2:22-cv-4635
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VERSUS * December 13, 2022
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AMERICAN SECURITY INSURANCE * Lake Charles Division

MARY BINNING-BECK * Docket No. 2:22-cv-4854
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AMERICAN SECURITY INSURANCE * Lake Charles Division

DIANA BETTERS * Docket No. 2:22-cv-4857
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VERSUS * December 13, 2022
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AMERICAN SECURITY INSURANCE * Lake Charles Division

SHAWNTEL GUILLORY * Docket No. 2:22-cv-4844
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VERSUS * December 13, 2022
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AMERICAN SECURITY INSURANCE * Lake Charles Division

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF LOUISIANA

PHILLIS SHELTON	*	Docket No. 2:22-cv-4866
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	*	
VERSUS	*	December 13, 2022
	*	
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AMERICAN SECURITY INSURANCE	*	Lake Charles Division

MICHAEL POUILLARD	*	Docket No. 2:22-cv-4032
	*	Docket No. 2:22-cv-4724
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VERSUS	*	December 13, 2022
	*	
	*	
LIBERTY MUTUAL INSURANCE CO.	*	Lake Charles Division

OFFICIAL TRANSCRIPT OF MOTION HEARING
HELD IN LAKE CHARLES, LOUISIANA
BEFORE THE HONORABLE JAMES D. CAIN, JR.,
UNITED STATES DISTRICT JUDGE

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Western District of Louisiana

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COURT PROCEEDINGS

THE COURT: Good morning. Okay. We got a lot of things to go over today. The last time I did all the talking, unfortunately, so today I'm going to do some listening because I need to understand -- as we go forward, I want to understand how this happened. Explain to me -- and I'm -- we're going to go through some cases. What I'm trying to get you to understand is you have dumped a mess on this Court. You may not think it's a mess but it's a mess, and you're going to see as we go through today examples of the mess you've created. And what I would also tell you is I think it would be incumbent upon you to start going through your files one by one and cleaning it up and you need to find these problems before the Court finds them, because I'm going to find them. And if I find them, you're going to be right back here again in a couple of months, probably in less than a couple of months, because as I have time we're going through them. As an attorney and as an officer of the court, you have a responsibility under the rules to do your due diligence before you file a suit in federal court. I don't know what they do everywhere else, but here we take that very seriously.

The other problem I have is that we've had a very good system in place in this court from the get-go.

1 When the hurricanes hit I anticipated a lot of suits.
2 It was just the nature of what happened. So we put in
3 place a case management order. I have Mr. Pat Juneau
4 here today, who's the Special Master for the case
5 management order. And through that process over the
6 last two years we've been able to -- probably,
7 Mr. Juneau, what do you think, 90 percent of the cases
8 are settling during the case management order phase
9 through our mediation process. 10 percent don't
10 typically, about right, 10 percent, Mr. Pat. We set
11 those for trial. I don't know how many we've set for
12 trial, hundreds. We've had two go to trial. So overall
13 our settlement process has really, I think, been very
14 good, and the process.

15 But what happens is when you come in here and you
16 drop 1600 lawsuits on us in one day, well, I'm not going
17 to let you do it, but you gum up the system because all
18 of the deadlines kick in because I have very -- you can
19 ask some of the -- I see some defense lawyers here. I'm
20 strict about the deadlines. We're not going to grant
21 continuances. We're not granting extensions. We have a
22 process and to keep things moving and flowing we can't
23 do that. So what has happened is, when you do this,
24 poor State Farm here comes in and they go, "I can't
25 answer 500 lawsuits on the same day. I can't do it."

1 And so they're begging me for relief. Where everybody
2 else who's been in my court for two years has been very
3 systematic in how they file their suits. They try to
4 settle them pre-suit. If they can't, they get them
5 filed and we move them through the system in a very
6 orderly fashion. But you didn't do that so they're
7 stayed because of that. That's why they're stayed, and
8 because they're full of problems. And they're going to
9 stay stayed until they're cleaned up. We'll get to that
10 in a minute.

11 That's the issue. Now, what I need to know is, and
12 I'm trying to understand, how did this happen. Because
13 from your video that I've seen, you said we got all
14 these people in the last few months. So what is your
15 process for signing these people up? How did you sign
16 all these people up in such a short period of time?

17 MR. HUYE: Yes, Your Honor. Well, I'd like to
18 start by apologizing for filing so many with the court
19 at the last minute. We did not understand the effect
20 that that would have on the clerk's office, and we
21 apologize for that. Since we've reflected on that,
22 we've met with the Eastern District of Louisiana to try
23 to reflect on what we've learned from your court --

24 THE COURT: Yeah, I've talked to Magistrate Judge
25 North. He's called me.

1 MR. HUYE: -- yes, Your Honor, to try to learn from
2 the effect that we had on the court. Certainly was not
3 our intent. Really what was happening, Your Honor, is
4 we were doing extensive mediations pre-suit and we were
5 banking on more tolling agreements. We were close to
6 tolling agreements with a number of large carriers and
7 those just simply didn't come to fruition as we
8 expected.

9 That and, Your Honor, it was a tough position. I'm
10 in this business to help people, right. And when you
11 have people calling in saying we didn't know about the
12 statute, we didn't know that we were going to lose our
13 rights, we believe that we were dramatically
14 underpaid --

15 THE COURT: How did you market to all these people
16 to get this many people? That's what I'm trying to
17 understand. I have law firms who's been doing this for
18 two years, hundreds of lawsuits, and I have never heard
19 of y'all until the day of prescription. I'm told --

20 And by the way, you didn't break our system. What
21 you broke was -- the United States Treasury Department
22 has a limit on what -- because we don't process the
23 money. The United States Treasury Department does. And
24 you can't process more than \$25,000 in one day,
25 according to U.S. Treasury rules. So I'm trying to

1 understand how did you market to --

2 The other problem I'm seeing is I see multiple
3 different forms of your contract. There's different
4 versions of it. There's some of them that weren't even
5 processed by you, which I'm not even sure is ethical.
6 There's some company out of Savannah, Georgia that
7 processed some of your contracts. As an attorney, you
8 have to talk to these people before they sign up with
9 you. So I'm trying to understand how this process
10 worked.

11 MR. HUYE: Yes, Your Honor. I did my very best in
12 the previous hearing to kind of go through as much of
13 that as I could. We have an extensive advertising
14 network that we use. We worked with ethics counsel. We
15 worked with the Bar to get it approved. We're
16 continuing to work with ethics counsel and the Bar to
17 make sure that we're following all the rules. We did
18 cast a wide advertising net and that's how we --

19 THE COURT: So how does someone come -- my phone
20 has rang off the wall in my chambers from people who
21 say, "I'm not sure I hired them but I think I hired
22 them. I get text messages from them, but I tried to call
23 them and nobody calls me back." I've gotten lots and
24 lots of complaints from probably, maybe, some people you
25 do represent. Y'all don't communicate with your

1 clients. The number one bar complaint, I think, in
2 Louisiana is lack of communication with their clients.

3 MR. HUYE: Your Honor, all I know is we answer more
4 than 500 phone calls every single day.

5 THE COURT: That's part of your problem. You got
6 too many clients that you can't handle.

7 MR. HUYE: I don't believe that's true.

8 THE COURT: I believe it is true. You can get to a
9 point where you have so many clients that you can't
10 represent them adequately and communicate with them
11 adequately, then you need to stop taking new clients.
12 That's my opinion, but that's going to be your problem
13 when they start filing Bar complaints against you. But
14 go ahead.

15 MR. HUYE: Yes, Your Honor. We'll deal with that
16 as it may come. We're doing our very best to try to
17 help the community. That's what this is about. My
18 understanding is we're answering every single call that
19 comes in. And if it needs more information than can be
20 provided in the initial call, we're scheduling a time to
21 speak with them further. I'm happy to give you our
22 number. And I'll be happy to talk with anyone who may
23 call into chambers immediately and follow up with you
24 thereafter, letting you know that we did, in fact, speak
25 with them. I'm happy to rise to the occasion. Whatever

1 we need to do to help this community is what I want to
2 do, Judge, and that's what we're trying to do.

3 THE COURT: I agree. Okay. I'll take you on your
4 word. And I'll tell you this, you're going to represent
5 these people. You're going to be a lawyer to them. You
6 took their case. You're going to represent them and
7 you're going to be a lawyer to them. And we're going to
8 go over the rules of the road here in a minute, but I
9 want to go over some cases here that have problems in
10 them. And this is what I'm talking about, where
11 y'all -- you-all need to sit down and go through your
12 files. You need to pick up the phone. You need to call
13 these people, not text them, not e-mail them. Lawyering
14 is a people business. It may not be that way anymore to
15 some of you younger lawyers; but being a lawyer to
16 people is about meeting with your client, knowing what
17 they need, understanding their case. That's how you're
18 a lawyer to people. I've heard some stuff about y'all,
19 "We're a technology firm. We've got all this artificial
20 intelligence." Let me tell you something. It may be
21 artificial but it's certainly not intelligent. This is
22 not how you represent people. You need to meet with
23 these people individually.

24 You've got to understand, this community was
25 devastated by these hurricanes. That is why I put this

1 in place, to help these people get their claims
2 resolved, get them in this court and out as fast as
3 possible. This isn't about dollar signs. I know that's
4 probably what you're seeing, let's sign up a bunch of
5 people, make a bunch of money.

6 MR. HUYE: No, Your Honor.

7 THE COURT: Well, that's the appearance to me
8 because y'all didn't do any due diligence on these
9 cases.

10 Let's talk about Betty Green versus State Farm. We
11 have a couple of cases here. 2991 you dismissed, was a
12 Delta-Laura claim. That's 22-2991. Then you had
13 22-5523 as still open. Mr. Ieyoub, I see you there.
14 Correct me if any of this is incorrect. Then I also
15 have a suit for Ms. Betty Green which is 4250 that's
16 still open. Am I correct on this? Am I correct, Toni?
17 Well, I'm saying Galen Hair, Mr. Hair, had a case,
18 21-822, where he represented Ms. Betty Green on this
19 claim. Then I have three suits filed by you. This is
20 the other problem. I don't understand how you all file
21 multiple lawsuits for the same person on the same day.
22 See, to me, that's not doing your job. That video has
23 not helped you at all because it showed your office full
24 of people drinking daiquiris and filing lawsuits and
25 nobody's following up what they're doing, and I've got

1 three lawsuits for Ms. Betty Green in addition to the
2 one Mr. Galen Hair filed.

3 MR. HUYE: Your Honor, I'll be happy to explain.

4 THE COURT: Okay. Yeah, please do.

5 MR. HUYE: We had two issues with the duplicate
6 filings on the Green case and then there is a third
7 issue. The two issues which resulted in duplicate
8 filings. The first is we wanted to use permissive
9 joinder. We thought that that would be an aid to the
10 Court. We understood from your law clerk you did not
11 want us to use --

12 THE COURT: You can't use permissive joinder in
13 these cases. They're all individual. I mean, these
14 claims are so individualized. That's why you can't mass
15 settle them. That's why I put in my order there will be
16 no mass settlements. You're not going to take 15, 20
17 cases to mediation. I'm going to let you do one, we're
18 going to talk about that in a minute, with the
19 Magistrate Judge; but you're not doing that. But go
20 ahead.

21 MR. HUYE: Yes, Your Honor. So we originally filed
22 under permissive joinder, which we do believe there is
23 an avenue under the law to allow us to file. We
24 understood from Your Honor that was not the Court's
25 preference. We wanted to listen to the Court. We did

1 not understand your responsive order that you were going
2 to sever the matters on your own so we filed an
3 individual action. That's what happened on, I believe
4 it was, 88 of these matters.

5 Further, Your Honor, when we were filing so quickly
6 because the tolling agreement that we were expecting
7 just didn't come through --

8 THE COURT: Who were you discussing the tolling
9 agreement with with State Farm?

10 MR. HUYE: I believe it was with Pat Derouen, with
11 Chad Primeaux, and Mr. David Strauss as well. It was
12 one of multiple conversations that we were having
13 regarding tolling agreements. But things just didn't
14 happen the way that we hoped that they would, Your
15 Honor, and so that was one of the sources for duplicate
16 filings, was regarding permissive joinder.

17 Further, Your Honor, as we were filing for many
18 hours we were noticing, especially after hours, that
19 sometimes the system -- I can't exactly explain what
20 would happen, but it would lag in some sort of fashion.
21 So to protect the client, that's what all of this is
22 about, to protect the client's case, since we didn't get
23 feedback from the Pacer system saying that it was
24 successfully filed, we made the choice to file a second
25 time to protect the client's right. That's the source

1 of the duplicate filings, Your Honor.

2 THE COURT: Then why didn't you go back in in the
3 following days and then go, okay, now we know we got
4 Ms. Green's suit filed, let's get rid of the ones that
5 we did as a safe harbor, basically? Why didn't you do
6 that? Why am I finding them?

7 MR. HUYE: Yes, Your Honor. We have gone through
8 and tried to identify all of those. It took us some
9 time to go back through and to find all of those. We
10 believe we either have the list or we're very close. I
11 know we've communicated with your chambers about sending
12 a letter with the cases we would request be reopened so
13 that we can file dismissals. And, Your Honor, we're
14 definitely taking your request very seriously to find
15 those and to bring them to the Court's attention
16 proactively.

17 THE COURT: Y'all need to keep doing that. You
18 need to work diligently and fast and identify -- there's
19 more duplicates. You hadn't found them all because
20 we're still finding them.

21 Mr. Ieyoub?

22 MR. IEYOUB: Yes, Your Honor.

23 THE COURT: Ms. Betty Green, my understanding from
24 State Farm, this case settled.

25 MR. IEYOUB: That's correct, Your Honor, resolved

1 by the Strauss Massey firm with Hair Shunnarah in a
2 formal mediation on September 14, 2021.

3 THE COURT: Did you know it settled?

4 MR. HUYE: No, Your Honor. We've since found out
5 that it has settled. We've had extensive conversations
6 with our client. She basically said that she wasn't
7 satisfied with the settlement and that she didn't
8 believe that it was fair. I've requested a copy of the
9 release agreement. That's the last action step on my
10 plate.

11 THE COURT: Got it right here.

12 MR. HUYE: Your Honor, I'm just looking for a copy
13 of the release agreement. We've asked the previous
14 plaintiff's firm and I need to --

15 THE COURT: The problem with this release, and I'll
16 get you a copy of it here in just a second, the release
17 in this case is pretty global. She released all claims,
18 the way I read it. Mr. Ieyoub, how do you read it?

19 MR. IEYOUNG: That's correct, Your Honor. We've
20 reviewed that release and it appears to have our
21 standard language that the settlement does include any
22 and all of the natural disasters --

23 THE COURT: Including Laura, Beta, Delta, and the
24 winter storm of February 2021 which was the ice storm,
25 and the floods. Well, flood wouldn't be covered by this

1 policy anyway, but --

2 MR. HUYE: Your Honor, if that's true, I'd like to
3 put my eyes on it and talk with my client about it.

4 THE COURT: Get you a copy of this one.

5 MR. HUYE: Then we will move to dismiss that
6 matter.

7 THE COURT: Here's the deal. Did you know it
8 settled?

9 MR. HUYE: No, Your Honor.

10 THE COURT: That's the problem, because you didn't
11 have any communication with this lady before you filed
12 her lawsuit. If you would pick up the phone -- I would
13 never file a lawsuit for someone without talking to them
14 first and verifying at least to the best of my ability
15 what the facts are before I filed a suit, especially in
16 federal court. And I think she would have probably told
17 you, "I settled." Maybe she would have told you, "I was
18 not satisfied." But that's unfortunate that she's not
19 satisfied. That's something she now needs to take up
20 with Mr. Hair or whoever represented her. I don't know
21 that there's an avenue for her at this point in that
22 regard.

23 But I shouldn't find these. This didn't -- this
24 was -- I mean, I found this pretty simply; and that's
25 what I'm trying to communicate to y'all. You-all need

1 to be finding these and dismissing these before I find
2 them. Okay.

3 MR. HUYE: Yes, Your Honor.

4 THE COURT: I got a couple here. Mr. Spivey, Dan
5 Spivey versus Allstate.

6 MR. HUYE: Your Honor, if I may, Ms. Green is here.

7 THE COURT: Okay. Ms. Green, are you here?

8 MS. GREEN: I am, Your Honor.

9 THE COURT: Ms. Green, do you have something you'd
10 like to say to the Court?

11 MS. GREEN: Yes, sir.

12 THE COURT: You can come on up. I need you to come
13 to a mic. Ms. Green, I have a release where you settled
14 your case with State Farm when you had Mr. Galen Hair
15 representing you.

16 MS. GREEN: Yes, sir. During the settlement, when
17 we went to the mediation, I didn't feel that I was
18 treated fairly. When State Farm was paying me off it
19 was little bit of money here, little bit of money there,
20 so I could only get so much done with the little money
21 they give. And then once we settled, Your Honor, I
22 didn't know Delta and the other storms was included in
23 there. I just knew we was taking care of Laura that
24 day. I was not happy with the way they treated me. We
25 actually had to do the work ourselves, my family members

1 and us, because they didn't give me enough -- I didn't
2 receive enough monies at that one time to hire
3 contractors to really fix my house. My house is okay
4 and it's livable, but it's not the way it should have
5 been.

6 During -- before they gave me any money, I went
7 back home because I was living with other people from
8 one house to another. I was homeless. State Farm
9 didn't do anything for me. FEMA didn't do anything for
10 me when we first got evicted. The \$500, that didn't
11 last no time living from pillar to post so I went home.
12 My house had all kind of mold in it from the rain
13 damage, but I stayed there.

14 During this process, Your Honor, I have -- my
15 health declined. We tore down one room at a time,
16 cleaning mold. It was just horrible.

17 THE COURT: Trust me, I know. I went through it
18 myself, ma'am.

19 MS. GREEN: You know, and I've been with State Farm
20 a long time, ever since I've been living in Lake
21 Charles. I've been living in this house for over 20
22 years.

23 THE COURT: Why didn't you take this up with
24 Mr. Hair at your mediation?

25 MS. GREEN: Your Honor, I --

1 THE COURT: You were under no obligation to settle
2 the case at that time.

3 MS. GREEN: And I know. This is what I told them
4 when he brought the last -- with them and the mediator,
5 Judge, and when they told me what they was giving me, I
6 said, "Well, let's just take it to court."

7 He said, "Ms. Green" --

8 "Well, let's just take it to court because I'm not
9 happy."

10 "Well, Ms. Green, this is pretty much all you're
11 going to get. State Farm's not giving you any more
12 money."

13 But these are the monies that I put in so it's not
14 State Farm's money, Your Honor, it's my money.

15 THE COURT: Mr. Ieyoub, what do you know about this
16 case?

17 MR. IEYOUB: Thank you, Your Honor. May it please
18 the Court, a couple of comments because State Farm was
19 discussed in this context. I would first point out that
20 the September 2021 settlement was for \$115,000. What
21 arrangement Ms. Green might have had with her counsel
22 I'm unaware of and I don't know what the net to her
23 was --

24 THE COURT: I understand.

25 MR. IEYOUB: -- but the idea that there was not a

1 fair or substantial payment is certainly not indicated
2 in the notes.

3 THE COURT: What was the policy limits; do you
4 know?

5 MR. IEYOUB: I'm checking on the limit. I don't
6 know, Your Honor, but that's the exact question I have.
7 In addition, that settlement which is, as you point out,
8 a voluntary process and it's the process by which this
9 Court has laid out, the mechanism where everybody can be
10 treated not only fairly but in an expedited manner.
11 That's the whole purpose and that's what was
12 accomplished here, and it was all voluntary with
13 representation. So the idea that this was somehow a
14 lopsided or unfair process is not the case.

15 The other thing that strikes me, Your Honor, is
16 that this dissatisfaction comes more than a year ago,
17 September of 2021, and there's an inconsistency now with
18 not having read or not seeing the release but having a
19 client who complained about the settlement. So there
20 had to have been knowledge that the case was settled
21 because Ms. Green was complaining about the settlement,
22 and so I see a disconnect there.

23 MR. HUYE: Your Honor, if I may?

24 THE COURT: Yeah.

25 MR. HUYE: So I think that the issue here, I mean,

1 if we're kind of getting into the nuts and bolts --

2 THE COURT: I just want to know for Ms. Green's
3 sake what happened, and I'm trying to also understand
4 why have another lawsuit filed in my court that
5 shouldn't be filed.

6 MR. HUYE: Yes, Your Honor. I think State Farm
7 preferred a very global settlement release, that even
8 though there may be a CMO mediation on just a Hurricane
9 Laura suit, the requirements of settlement require a
10 global dismissal of all potential claims, Your Honor;
11 and I think that's the issue we're dealing with here.

12 THE COURT: Well, the problem with that is most
13 defendants are going to want a global settlement. I
14 mean, if you are not satisfied as the attorney and you
15 don't want to engage into that type of settlement, it's
16 incumbent upon the attorney to advise their client, "You
17 understand you're going to be signing this release."
18 That's why you have counsel. That's why we're called
19 counselors at law, to counsel our clients. And maybe
20 she didn't get the counseling she needed from Mr. Hair's
21 firm. I can't answer that. The problem is at this
22 point the case has been settled and I don't think
23 there's any way to revive this case. Now, she may have
24 claims in other avenues. Maybe you might want to choose
25 to represent her in those pursuits. I don't know. My

1 concern is I've got a case here that should not have
2 been filed because I feel like there's a lack of
3 communication between your firm and these clients, and
4 that's why I'm seeing all these little issues.

5 Ms. Green, I am sorry that you're not satisfied.
6 My goal is to be sure all the people in this community
7 are protected. I'm trying to get everybody, their cases
8 heard as quickly as possible so you don't have to wait
9 two, three years to get your case heard. So I do feel
10 for you. I live here, too, and my house was damaged. I
11 didn't live in my house for a year and a half. So I do
12 feel your pain. Mr. Pat knows. I had to bunk with him
13 for a day or two over in Lafayette. But I do understand
14 and I'm sorry; but I think really, unfortunately, your
15 claim with State Farm has been resolved and there's
16 really not much you can do in terms of that.

17 MR. IEYOUB: We have some --

18 THE COURT: Yeah, what'd you find out?

19 MR. IEYOUB: -- supplemental information, Your
20 Honor. There was a Coverage A limit of 77,000.

21 THE COURT: So you settled it for over -- what was
22 the Coverage A -- the settlement was what?

23 MR. IEYOUB: It was -- the Coverage A portion of
24 the settlement -- I don't know how it breaks down with
25 the 115 but the Coverage A, 77,500; other structures,

1 10,000; contents, 7,500; and 5,000 in A&E. All of the
2 combined coverages were, in total, significantly less
3 than the final payment of 115. That does not include
4 the payments along the way up to the time of mediation.
5 So it's inconsistent that this was --

6 THE COURT: So you paid probably -- if I'm hearing
7 correctly, you probably paid above policy limits.

8 They paid more than your policy limits, Ms. Green.
9 Do you understand this? You had a certain amount of
10 coverage; but State Farm actually paid you over and
11 above that coverage limit, so. I can't get into your
12 representation with Mr. Hair. I don't know. That would
13 be something you would have to go back and visit with
14 them about. But unfortunately, this case is going to
15 have to be dismissed. Okay, ma'am. I wish you the best
16 of luck. God bless you. Okay.

17 MS. GREEN: You, too, Your Honor.

18 THE COURT: Okay. I'm going to take up this
19 Mr. Spivey. The issue I've had with this case is that
20 you made a Hurricane Ida claim.

21 MR. HUYE: Yes, Your Honor.

22 THE COURT: And you made -- I don't understand. We
23 didn't have a drop of rain from Hurricane -- well, this
24 house, I think is this one in Monroe?

25 MR. HUYE: In Lake Charles.

1 THE COURT: This one's in Lake Charles. I don't
2 understand how you make a Hurricane Ida claim here.

3 MR. HUYE: Yes, Your Honor. If I may, we made a
4 mistake. Mr. Spivey is here. We've had extensive
5 discussions with him to let him know the mistake. The
6 lawsuit we intended to file -- and we filed an amended
7 complaint, Your Honor, although we understand there may
8 be consequences. We meant to file Hurricane Laura and
9 Hurricane Delta and we filed Hurricane Ida and Hurricane
10 Delta. It was incorrect. There were no Hurricane Ida
11 damages. And we're working with our client and the
12 record to try to clean things up, and we're having
13 conversations with our client about what we want to do
14 to clean this up.

15 THE COURT: Okay. So you filed a motion for
16 leave -- what you're going to have to do, though -- you
17 just filed -- you can't file an amended complaint
18 because there's a stay in place. So what you have to
19 do, you're going to have to file a motion to lift the
20 stay for the sole purpose of filing an amended
21 complaint.

22 MR. HUYE: Yes, Your Honor.

23 THE COURT: But again, I shouldn't be finding this.
24 You should find it, and that's the point.

25 MR. HUYE: Yes, Your Honor.

1 THE COURT: What you need to understand is I've got
2 7,000 hurricane lawsuits that have been filed since the
3 beginning and if I can go through and matriculate
4 through your files and find this myself, you should be
5 able to do it a lot easier than me. That's what I'm
6 trying to get you to see. You need to clean this up.

7 Once you file the motion to lift the stay to amend
8 the complaint, I'll grant it and we'll go from there. I
9 don't know -- I mean, I'm not going to sit here -- I
10 don't know if maybe you'll have any prescription
11 problems with that or not. I don't know, but I think
12 you might.

13 MR. REYNAUD: Your Honor?

14 THE COURT: Yes.

15 MR. REYNAUD: Claude Reynaud here. I haven't met
16 you yet. Thank you for having us today. I was the one
17 that filed the amended complaint, and the reason I did
18 not file a motion for leave is because the stay was
19 lifted in this case for purposes of this hearing.

20 THE COURT: But that's the problem. It was for
21 purposes of this hearing, no other purpose.

22 MR. REYNAUD: My apologies. We'll file a motion
23 for leave to ask for the amended complaint to be filed.

24 THE COURT: Okay. I gotcha. Then you'll have to
25 deal with at some point -- what's going to happen over

1 time is I'm going to gradually -- as I clear a few
2 cases, I'm going to release them. I'm not releasing
3 them all at once. You'll never get all these cases at
4 once. You're going to get them in bits and pieces
5 because you're not going to overwhelm the defendants or
6 my case management order by having a thousand cases go
7 through at once because they can't respond to it. No
8 insurer can. Our case management order can handle
9 hundreds of cases at a time but cannot handle them all
10 at once. So we're going to release them in batches as
11 we clear them.

12 And I want this very clear. You are going through
13 my case management order. If you have questions on how
14 that works, you can reach out to Mr. Pat Juneau and his
15 office. He's available. That's why he's here today.
16 I'm not going to punish your clients because of you, but
17 they're going to go through --

18 And I'm going to tell you this. I don't want to
19 get any more e-mails. I've gotten two -- twice, one
20 from Cook Yancey, I think in Shreveport, and the other
21 day got one from this guy in Houston asking me to
22 release all these cases from the stay so y'all can go
23 mediate. This is exactly what I said you're not to do.
24 You are not to mass settle these cases. You're going to
25 individually represent these people and take each of

1 their claims serious and give them the legal counsel
2 they deserve. You're not going to go -- I'm going to
3 let you do these because I'm going to let you do these,
4 as I've said, under the auspice of the U.S. Magistrate
5 Judge downstairs, Magistrate Judge Kay; but your clients
6 are going to be here in this courthouse at this
7 mediation. No Zoom.

8 Mr. Pat, do we allow Zoom for clients in our case
9 management order?

10 MR. JUNEAU: Standard procedure, Judge, is in all
11 the cases, Your Honor, have the insured present under
12 your court order.

13 THE COURT: Your insured -- exactly. Your client
14 needs to be present at these mediations. They need to
15 understand. Now, if they're in the hospital or -- there
16 might be an exception here and there, but that's the
17 exception. The rule is your clients are to be present
18 at the mediations. They're going to be at this one. I
19 think Magistrate Kay sent you an e-mail. She has some
20 information she's going to want because -- I'm going to
21 allow you to do these. I will on occasion -- I guess if
22 you come to me with a few cases and you feel like this
23 is beneficial, you can file a motion with me to ask for
24 a magistrate settlement conference; but you are not
25 going to your own private mediators to do that. I'm

1 sorry. You do not have the trust of the Court. The
2 Court is going to supervise this process. You're going
3 through my case management order with my mediators. If
4 you want to do this, you're going to go do it before the
5 United States Magistrate Judge so we can be sure that
6 these clients are being adequately represented.

7 MR. HUYE: Happy to do that, Your Honor. Thank you
8 very much.

9 THE COURT: Yes, Harris. Is that the one -- let me
10 find it.

11 MR. HUYE: Your Honor, if I may?

12 THE COURT: Yes, Harris.

13 MR. HUYE: It's the one in Ruston.

14 THE COURT: Yeah. I'm trying to understand how
15 there was that much damage from this storm up in Ruston,
16 Louisiana.

17 MR. HUYE: Yes, Your Honor. These hurricanes, it
18 didn't just hit a specific locale, it went through our
19 state. There are damages further north. I know
20 sometimes, me being in New Orleans, you being in Lake
21 Charles, we think more southerly; but the damage did go
22 much further north. In this case, Your Honor, we have
23 an extensive estimate from our estimator and it's
24 totalling, I believe, \$115,000. Your Honor, the
25 photos -- and it's a very thick estimate. The photos

1 are dramatic, water saturating the entire ceiling --

2 THE COURT: Not your case. No, I was looking at
3 Mr. Monson back there.

4 MR. HUYE: Your Honor, I believe Mr. Monson filed a
5 motion in the McCoy matter and not the Harris matter.

6 THE COURT: No, that's correct. We're going to get
7 to it in a minute.

8 MR. HUYE: Yes, Your Honor. So in this case the
9 photos were dramatic.

10 THE COURT: Let me ask you, then, because -- and
11 I'm going to tie in Mr. Monson's case here with
12 Ms. McCoy, Nicole McCoy. Let me get the docket number
13 on that one. That was 22-5541, right, Mr. Monson?
14 Maybe these go hand in hand. Did you use a company
15 called Colorado Scope Pros?

16 MR. HUYE: It just goes by the name Scope Pros.
17 That's correct, Your Honor.

18 THE COURT: You used it also in the Ruston case?

19 MR. HUYE: Yes, Your Honor.

20 THE COURT: That's the problem.

21 MR. HUYE: Why's that, Your Honor?

22 THE COURT: Well, Mr. Monson, would you like to
23 enlighten us on why that's a problem?

24 MR. MONSON: Yes, Your Honor. One of the things --
25 again, Matthew Monson for Allied Trust Insurance

1 Company. One of the things that was just mentioned
2 about Scope Pros is "that's our estimator," right.
3 There's not allowed an estimator. You have to be
4 licensed as a public adjuster in order to create an
5 estimate on behalf of an insured. The law is very clear
6 on that. It's Louisiana Revised Statute 22:1693, right.
7 And the public adjusters have to be licensed as well as
8 the company has to be licensed. Scope Pros is not, has
9 not, never has been, never will be licensed in the state
10 of Louisiana.

11 THE COURT: That's a pretty bold statement,
12 Mr. Monson. Why do you say never will be?

13 MR. MONSON: Well, I think I -- from the research,
14 if he is the owner of the company, is a convicted felon
15 and I don't think that the --

16 THE COURT: Can he not get a license because he's a
17 convicted felon?

18 MR. MONSON: I don't know if that's the case; but I
19 know that the Department of Insurance frowns upon such
20 things, right. And so --

21 MR. HUYE: Your Honor, if I may?

22 MR. MONSON: -- so what happened is --

23 THE COURT: You can in just a second.

24 MR. MONSON: The name of this gentleman is Dewitt
25 Franklin Johnson, II, right.

1 Something else that's very problematic about the
2 Scope Pros estimate is that Scope Pros was hired by
3 McClenny Moseley, not by the insured, right. You don't
4 even have the identity of the person who went out to do
5 the estimate on the estimate. That person's name is
6 scrubbed from the information that they provided, right.
7 It's just not on there, right. And I have the estimate
8 here. I see Mr. Reynaud shaking his head, but I have
9 the estimate right here that they submitted. His name's
10 not on the estimate.

11 So what happens is you have -- in our particular
12 case, when you noticed it, you noticed it for a
13 circumstance of, hey, do you have the due diligence to
14 be able to --

15 THE COURT: I have a problem with all these suits
16 being filed up in -- for properties in Monroe and Ruston
17 because, you know, from the track of these storms,
18 particularly Laura, I don't really see -- I mean, I'm
19 not saying you couldn't have some damage up there; but
20 it surprised me the number of suits I had in Monroe.

21 MR. MONSON: Your Honor --

22 MR. HUYE: Well, certainly --

23 THE COURT: Hold on. One at a time.

24 MR. MONSON: Your Honor, and this particular case
25 went through the appraisal process, right. The

1 appraisal award was \$21,000, right. The appraisal award
2 came out several weeks prior to their filing a lawsuit
3 saying there was \$75,000 at issue in order to obtain
4 diversity jurisdiction, right. They had the
5 information. The money was paid. Funny enough, the
6 only additional money that was paid was a little less
7 than \$6,000. That's after Allied Trust Insurance
8 Company waiving almost \$1,200 in recoverable
9 depreciation. So the new money was only \$4,795.

10 THE COURT: Let Mr. Huye speak.

11 MR. HUYE: Your Honor, I'm a little confused what
12 you'd like me to address.

13 THE COURT: Here's the problem I'm seeing. Here's
14 the problem. You've got two lawsuits, one in Ruston,
15 one in Monroe.

16 MR. HUYE: Yes, Your Honor.

17 THE COURT: You used a company that's not licensed
18 to do business in the state of Louisiana.

19 MR. HUYE: Your Honor, they're not required to be
20 licensed. Your Honor, it is absolutely allowed for us
21 to hire an expert for the purposes of producing an
22 estimate. They do not have to be a public adjuster.
23 They weren't holding themselves out as a public
24 adjuster. They weren't serving the role of a public
25 adjuster. A public adjuster's role is very different

1 from an estimator. An estimator is finding damage,
2 taking photos, preparing an estimate. A public adjuster
3 has other things they're doing. They're negotiating
4 with the insurance companies. There's a laundry list of
5 additional things that a public adjuster would be doing.
6 These are not public adjusters. This is an expert
7 retained for the purpose of a potential future
8 litigation, and for that reason they don't need to be
9 licensed. Your Honor, respectfully, this is a rabbit
10 hole. This is a rabbit hole for the Court. This is a
11 distraction to --

12 THE COURT: Really, my issue with these cases --
13 and I only picked two because there's a hundred or more
14 with Monroe area addresses. And it begs the question,
15 what kind of damage was sustained in the Monroe area
16 from Hurricane Laura. And the reason I'm bringing this
17 to your attention -- and I didn't pick every case. I'm
18 just picking examples so you know what to go back when
19 you leave here today and you know what to look for and
20 what you need to work on. Jurisdiction is not waivable
21 in federal court. There cannot be an agreement to
22 jurisdiction. Jurisdiction is a snapshot at the time of
23 the filing. So when you file the lawsuit, the
24 jurisdictional amount, federal jurisdiction has to be
25 established at that point. Can't be established

1 subsequent to the lawsuit being filed. It's at that
2 moment.

3 So these are diversity jurisdiction cases. They
4 have to be worth \$75,000 and they have to be in a
5 diversity of citizenship, as you know. The only other
6 federal jurisdiction is federal question jurisdiction.
7 That concerns me because you've got a problem if there's
8 no federal jurisdiction because then these cases get
9 dismissed and then you've got a prescription problem on
10 your hands.

11 MR. HUYE: Yes, Your Honor. So --

12 THE COURT: So that -- I don't -- I'm concerned for
13 your clients and that's why I bring this up. Yes?

14 MR. HUYE: Your Honor, so we -- as part of the way
15 that we do mediations, as we discussed before, we do
16 these position papers. Exhibit 1 to every position
17 paper is a chart and it looks exactly like this.
18 Pursuant to Mr. Monson's motion last night or yesterday
19 afternoon, we did a mock-up of what the position paper
20 in this matter would look like, what we believe is the
21 trial value even considering the appraisal.

22 Your Honor, we have some concerns about some of the
23 conduct in appraisal, whether if it was a fully
24 impartial process, if someone may have had involvement
25 in that appraisal process, and we are investigating

1 that.

2 THE COURT: What do you mean?

3 MR. HUYE: Yes, Your Honor. So the appraisal
4 process is purposefully supposed to be independent from
5 the lawyers. Your Honor, we've heard --

6 THE COURT: I'll give you a great example. If you
7 go into the appraisal process and you've hired an
8 adjuster, let's say, you cannot use that adjuster then
9 to go do the appraisal. You can't do it.

10 MR. HUYE: That's correct.

11 THE COURT: I've already been down this rabbit
12 hole. I think I can write a treatise on hurricane law.

13 MR. HUYE: Yes, Your Honor.

14 THE COURT: I think I've had every issue imaginable
15 thrown at me.

16 MR. HUYE: You're absolutely correct on that point,
17 but there's an additional point. The lawyer not only
18 can't hire its adjuster, the lawyer can't be involved in
19 the appraisal process. The lawyer can't be
20 communicating with the appraiser in a way that they are
21 quarterbacking the result of the appraisal, and we've
22 been hearing some concerning feedback that we're
23 investigating that will be the scope of some of our
24 investigations as to whether the appraisal process did
25 proceed impartially without involvement from lawyers.

1 However, Your Honor, just for the sake of argument,
2 even if the appraisal award is binding, with bad faith
3 penalties, attorney's fees, we have put together an
4 additional position paper exhibit which adds up to
5 \$82,000, Your Honor.

6 THE COURT: Well, let me say this. I haven't seen
7 a policy yet, I'm not saying it's not out there, but I
8 haven't seen one yet, Mr. Monson probably has, but I
9 haven't seen one yet where the appraisal is binding. I
10 haven't seen that yet. I don't know that I will see
11 one. So the appraisal is just really, in my view, a
12 mechanism for the insurance company or the homeowner to
13 invoke this process, which I think it's a good one, to
14 help close the gap, to have two independent people look
15 at the property and let's close the gap. They may never
16 agree, but at least it gets us into the red zone where
17 we're in a ballpark now where maybe some serious
18 negotiations can occur and the claim can get resolved.
19 That's really the way I see the appraisal process, and I
20 think it's a good one.

21 I don't know what you're talking about. I think
22 I'm incumbent upon the attorneys. I think most lawyers
23 know how the process works, especially if they've done a
24 lot of this like Mr. Monson, Mr. Ieyoub, Mr. McGuire,
25 some others that I see here, insurance lawyers. I think

1 they're well-versed in this. I don't know what it would
2 go to if you found that. I guess you could argue the
3 appraisal's no good or I guess you could argue maybe
4 some element of bad faith under that, under the bad
5 faith statute, if you develop that information in a
6 case; but that would take, you know, discovery, that
7 would take depositions and so forth to develop that.

8 MR. HUYE: Yes, Your Honor.

9 THE COURT: And we would address it if we saw it.
10 That would be an issue to be decided.

11 What is your position on this case? He's claiming
12 that this is -- he's -- his estimator is not a public
13 adjuster.

14 MR. MONSON: The law's very clear. When you look
15 at what the definition of public adjusting is and when
16 you look at 22:693, it says if you act as a public
17 adjuster and acting as a public adjuster. Public
18 adjusting is defined in the statute very generally, Your
19 Honor, I don't have it in front of me, as investigating,
20 appraising, and reporting to the insured the amount of a
21 claim. That's on a first-party claim.

22 THE COURT: I'll tell you what I'm going to do.
23 I'm going to defer. You filed a motion, I think, on
24 this, did you not?

25 MR. MONSON: I filed, essentially, a memorandum in

1 support of sanctions.

2 THE COURT: Well, I'm not going to rule on that.
3 I'm going to defer. And if you feel like that is
4 something down the road y'all on either side wants to
5 pursue, you can file a motion to lift the stay, file a
6 motion, and we'll have a hearing on it. I think that
7 would require a little more inquiry by the Court. I
8 don't make -- I'm not going to make an off-the-cuff
9 ruling on something.

10 MR. MONSON: Certainly, Your Honor.

11 THE COURT: A lot of what today is is educational.

12 MR. MONSON: And certainly, to the extent there's
13 any implications by this gentleman that our firm
14 influenced --

15 THE COURT: Mr. Monson --

16 MR. MONSON: -- or did this in any way, shape, or
17 form, I categorically deny; and I challenge counsel to
18 stand up and say what this insinuation is based on.

19 THE COURT: I hear you, Mr. Monson. And I'll just
20 tell you, you've been in front of me multiple times and
21 you've been nothing but professional. But at the same
22 time I don't know that he's making any accusations. I'm
23 not speaking for Mr. Huye, but I think what he's saying
24 is he's heard something.

25 MR. HUYE: That's right, Your Honor.

1 THE COURT: I don't know what that means, but I
2 certainly -- Mr. Monson, you're the biggest advocate of
3 appraisal that I know. I think you've argued that in
4 front of me multiple times, and I think some of the
5 lawyers in the back --

6 MR. MONSON: Response from the courtroom, they
7 would agree.

8 THE COURT: I understand. I mean, you've explained
9 to me that you think the appraisal process can be a very
10 good mechanism early on to really get a lot of cases --
11 I think you've even advanced some arguments that it can
12 negate bad faith in certain --

13 MR. MONSON: Yes, sir. That's what the caselaw in
14 Louisiana states.

15 THE COURT: And I've read your briefs on that so I
16 know you're well-versed in this whole process. So I'm
17 not taking anything anyone says -- I mean, I take it as
18 argument. Okay.

19 MR. MONSON: Yes, Your Honor. I appreciate it.
20 Thank you.

21 THE COURT: But you can certainly -- you know, you
22 want to keep pursuing it, you know, you certainly have a
23 right to file a motion on that.

24 MR. HUYE: Your Honor, one additional note on the
25 motion in the McCoy matter. We believe that some of the

1 briefing is simply disagreeing with the amount of our
2 expert's estimate, but to go so far as to use the word
3 fraudulent I believe is inappropriate. So, Your Honor,
4 we intend to file a motion to strike. I think that's
5 outrageously inappropriate.

6 THE COURT: I think what y'all should do is y'all
7 should both get your respective motions on this case
8 together, file them, you can do it after Christmas, and
9 maybe we just need to have a hearing on this.

10 And all I'm trying to say to you is I question --
11 I'm not here to make a determination. I question the
12 jurisdictional basis of some of these claims, and that
13 is why I'm bringing this to your attention. And your
14 best avenue is, if you don't have the backup to back up
15 the jurisdiction -- and I picked the Monroe ones because
16 I just don't -- common sense tells me that there may be
17 an issue there, and I'm bringing it to your attention.
18 I'm not trying to go through and sua sponte dismiss your
19 cases, which I could, but I'm not. I'm just bringing it
20 to your attention that you probably need to take a
21 little time and really look at these cases. And if you
22 don't have the jurisdictional limit amount, I don't know
23 what you do. I don't know what you do, but you might
24 need to start making some strategic decisions about
25 that.

1 Yes, this is Darrell Williams versus State Farm.
2 Mr. Brasher here from Texas reached out to -- I think
3 with this case. Again, this is a duplicate case.
4 Mr. Brasher, enlighten me on your representation of
5 Mr. Williams.

6 MR. BRASHER: Yes, Your Honor. We represent
7 Mr. Darrell Williams. And by the way, I have a
8 statement for him that I'd like to mark for the hearing
9 today. I have an original copy for Your Honor, if I
10 could approach.

11 THE COURT: Yes.

12 MR. BRASHER: I don't have a sticker, but I can
13 write a number on it.

14 MR. HUYE: Your Honor, I haven't seen this.

15 MR. BRASHER: I'll give him my other --

16 THE COURT: I'll make another copy of it. I think
17 you came to my office but we were in the middle of
18 something, Mr. Brasher.

19 MR. BRASHER: Yeah, I only brought the original.
20 And I want to send my apologies now on behalf of
21 Mr. Williams. His stepson's graduating from Fort
22 Benning and he's got an assignment to the 101st, and
23 he's on his way to Georgia and so -- and he's willing to
24 come back if you need him to come back.

25 MS. BENOIT: What exhibit?

1 MR. BRASHER: Exhibit A. Is that fine? We'll mark
2 it as Exhibit A, and it has some exhibits to it.

3 THE COURT: Versus State Farm Insurance. This is
4 your client.

5 MR. HUYE: Your Honor, are we intending to enter
6 this into the record or we're just reviewing this?

7 THE COURT: I think he just entered it into the
8 record.

9 MR. HUYE: Your Honor, I object.

10 THE COURT: On what basis?

11 MR. HUYE: I've never seen this document
12 whatsoever.

13 THE COURT: We're not in trial. This is a hearing.
14 So you'll have a minute to look at it. Well, I think
15 the issue, the reason this case is up, is because
16 there's duplicates. It's again duplicates. When I
17 looked at this case, again, I shouldn't have to find
18 them but I'm finding them on my own, I found two
19 lawsuits filed by your firm for this gentleman, then I
20 find a lawsuit filed by Mr. Brasher for this gentleman.
21 So I've got three lawsuits for the same property, for
22 the same damage. And this is what I'm talking about.
23 Not acceptable.

24 MR. HUYE: Yes, Your Honor. If you'll allow me,
25 I'll be happy to explain what happened.

1 THE COURT: Yes.

2 MR. HUYE: This is one of the State Farm that we
3 discussed previously. We tried to use permissive
4 joinder. The Court advised they would not be accepting
5 that. We followed Your Honor's direction. We then
6 misunderstood your order that you would sever so we
7 filed our own matter. Subsequent to that time, our
8 client chose to terminate our representation. And it
9 seems as though our representation, Mr. Brasher and I's,
10 it overlapped at some of the same time. And that's what
11 resulted in this case in three lawsuits. I understand
12 that we have dismissed or we filed for potential
13 dismissal in both of the lawsuits for --

14 THE COURT: You did it this morning.

15 MR. HUYE: There was one of them, Your Honor --

16 THE COURT: Here's the thing. I set these for
17 hearing -- I don't know when I set this. But last night
18 you made a lot of last minute filings, like, at the last
19 minute, the day before the hearing, like that's going to
20 fix it. It will fix it, but you still burden the Court
21 by not fixing it sooner and earlier.

22 And again, I think you need to file a motion to
23 lift the stay. What's going to happen as the clerk gets
24 to this and processes it, you're going to get a
25 deficiency notice because they're going to tell you the

1 case is stayed and you can't file anything in it.
2 That's what's going to happen.

3 MR. BRASHER: Could I say just real quickly, Your
4 Honor?

5 THE COURT: Yes.

6 MR. BRASHER: This was one that was retained in
7 November of '21 by McClenny Moseley, just so we know.
8 So this wasn't one that was signed up at the eve of the
9 statute. And I think Mr. Williams lays out kind of his
10 timeline of communications or his inability to
11 communicate with the law firm in that statement. And
12 so -- and he attaches, also, his letter of termination
13 he sent on -- he sent it by e-mail and by letter on
14 August 17th.

15 I'll tell you, Judge, what kind of gave rise to
16 that. And I've got a notarized statement from him. But
17 McClenny Moseley sends a certified letter to him on
18 August the 4th basically saying we've been trying to get
19 in touch with you and we're about to file a lawsuit and
20 maybe invoke appraisal or something like that. So it
21 leads him to try desperately to contact the law firm
22 because he didn't want them to do that, and he's unable
23 to do that. You can see the chronicle of his attempts
24 at that effort. And then he just terminates them,
25 retains our firm. We filed a lawsuit on the 23rd and

1 then they filed a lawsuit on the 25th. So that would be
2 seven days after he'd terminated them.

3 I would also note to the Court, Your Honor, and I
4 can -- I have this too, is they opened an Ida claim for
5 him and he lives in Lake Charles. And I talked to him
6 about this and he doesn't have any Ida damage nor did he
7 want an Ida claim opened. And I have the first note if
8 you would like me to add that to the record. That was
9 something, also, that he was unaware of. And so they've
10 opened an Ida claim for him with State Farm. I've seen
11 this happen on multiple of my clients. And that's a
12 concern, obviously, to the insureds, that McClenny
13 Moseley is filing claims on behalf of them that they're
14 not making themselves.

15 MR. HUYE: Your Honor, I must object. I think this
16 is baseless. There's no opportunity --

17 THE COURT: I think his point is his -- at one
18 point I guess y'all's client terminated you. He files a
19 suit. You file a suit for a client that's terminated
20 you because his client's position is they can't get in
21 touch with you. That's the calls I've been getting,
22 that y'all don't answer your phone.

23 MR. HUYE: Your Honor, I'll be more than happy to
24 pull the call records and figure out -- I know that we
25 were trying to reach our client at the time to

1 discuss -- we can't just operate just from an e-mail.
2 We choose to speak with clients to verify a termination.
3 We were working on doing that. Your Honor, we couldn't
4 get in touch with him. We didn't know that he'd hired
5 another firm, and we just wanted to protect his rights.
6 If he wanted us to withdraw, if he wanted to proceed pro
7 se or to have another law firm step in, we absolutely
8 would've --

9 THE COURT: Well, it's my understanding if I'm --
10 Mr. Brasher, you said he called and e-mailed?

11 MR. BRASHER: In the statement he gets the
12 letter --

13 THE COURT: I haven't read the statement.

14 MR. BRASHER: Yeah, I know. It says he tried to
15 call that same day, got answering service. He received
16 a certified mail on August 5th. He tried to call on
17 August 5th, got an answering service, left a message.
18 And then he -- and that was consistent with --

19 THE COURT: How did he terminate them?

20 MR. BRASHER: He sent an e-mail and a letter, and
21 it's attached to his statement.

22 THE COURT: That's the thing, Mr. Huye. At that
23 point y'all should have gone in here and quickly moved
24 to dismiss this lawsuit before I find it because you
25 don't represent him anymore.

1 MR. HUYE: Your Honor, I would have to go through
2 my records again to figure out what the status of this
3 is. My understanding is we were trying to confirm with
4 him to make sure that he had a plan and to confirm what
5 he wanted us to do with this suit.

6 THE COURT: Well, I think if you'd check your
7 e-mails and check your phone messages you would have
8 heard that he didn't want you to do anything. He
9 terminated you. He didn't want you to file suit for
10 him. He then goes and retains Mr. Brasher.

11 MR. HUYE: I was not aware that he'd retained
12 Mr. Brasher, Your Honor. We were just trying to help
13 him.

14 THE COURT: I guess it really doesn't matter who he
15 retained. I guess what matters is that he wanted to
16 terminate your representation of him.

17 Oh, yeah. When you filed these -- you filed,
18 again, a motion to dismiss these suits this morning.
19 Again, you'll need to file with leave. But I really
20 don't understand how you filed it where everybody's to
21 bear their own cost. I mean, you filed, to me, a
22 frivolous lawsuit. Why would everybody bear their own
23 cost? You should bear the cost. You filed it
24 inappropriately. I don't know that there's any cost. I
25 don't really think you need to worry about that. But my

1 point is, just for your sake going forward, if it's your
2 mistake, nobody's bearing the cost with you. You're
3 bearing it, if there is any cost.

4 Mr. Brasher?

5 MR. BRASHER: Sir.

6 THE COURT: So is your case stayed?

7 MR. BRASHER: You know, I don't know that, Your
8 Honor.

9 THE COURT: If it is, I'm going to order your case
10 lift -- any stay on your case lifted. It might have
11 been stayed if we got duplicates. I'm going to order
12 yours lifted and to proceed through the case management
13 order --

14 MR. BRASHER: Thank you, Your Honor.

15 THE COURT: -- so you can get his claim moving.
16 Okay. It's not stayed. So you'll probably get notice
17 here pretty soon.

18 MR. BRASHER: I've also talked -- we've reached out
19 to their firm on occasion when we've had some of these
20 issues and we tried -- we did reach out to them about
21 even this one. But I also mentioned to William today
22 we've got two cases they filed that have been settled,
23 and I think they're going to look at that.

24 THE COURT: Good deal. Thank you, Mr. Brasher.
25 Okay. Mr. Addison. This one, again, we have

1 multiple lawsuits filed. I have a suit filed by you,
2 Mr. Huye, 22-3431. I have one filed by Mr. Filo's firm,
3 22-3557, against Allstate. So how are we here? How are
4 we here, where you represent him and Mr. Filo's firm
5 represents him?

6 MR. HUYE: Your Honor, I know that we have a signed
7 letter from the client as recently as May 24th. I know
8 in this case Mr. Addison directed us to file suit for
9 Hurricane Laura and Delta and to invoke appraisal. I
10 know that we did invoke appraisal and there has been a
11 signed appraisal award. And I do know that we received
12 a check from the appraisal award. We also received a
13 handwritten signed letter from Mr. Addison and the
14 letter -- Mr. Filo, I'm happy to share any of this
15 documentation with you. Just a moment, Your Honor.

16 Thereafter, we received a handwritten, signed
17 letter dated November 14th, 2022. Mr. Addison had some
18 concerns with -- I mean, obviously, it's an appraisal
19 award. We intend to continue forward with the suit for
20 additional bad faith penalties and attorney's fees which
21 we may be able to prove or do. At that point
22 Mr. Addison requested that we hold his portion of the
23 funds in trust until we settle the full lawsuit and then
24 he would like one lump sum paid to him.

25 So those are, I guess, my understanding of what our

1 involvement is on the Addison matter. I was not aware
2 that Mr. Filo's firm had filed a lawsuit in this matter.
3 And I would be more than happy to discuss that with
4 Mr. Addison.

5 THE COURT: Mr. Filo, how did you come to represent
6 Mr. --

7 MR. FILO: Your Honor, we received a call from
8 Mr. Addison in July of 2022 and we actually -- he signed
9 a retainer agreement with us at his home. He's got a
10 prosthetic leg and doesn't drive so he didn't come to
11 the office, but we went to his house. We were
12 completely unaware that there was any representation of
13 any other law firm. I believe -- and I spoke to
14 Mr. Addison. I believe that he knew of our firm
15 somewhat. I think he used to do work on Mr. Will Cox's
16 cars back in the day, saw us on TV, and he -- so he
17 signed up with us.

18 We then tried to get a copy of the dec. sheet for
19 Allstate so we would make sure we had the policy number
20 and all that. That took a few weeks. And we didn't
21 actually get the suit filed until August, I think
22 August 23rd or 24th of 2022.

23 THE COURT: Yours got filed on the 24th. They
24 filed a lawsuit, 3431, that's the docket number, on the
25 23rd, the day before.

1 MR. FILO: Same day, or I think they were one day
2 apart. We were unaware of it until I received an e-mail
3 from Allstate's attorney and it was an e-mail sent to me
4 and Mr. Cameron somebody at --

5 MR. HUYE: Snowden.

6 MR. FILO: -- Snowden, and that was about a month
7 and a half ago, that said, look, it looks like you've
8 got two lawsuits filed. So I responded to the e-mail to
9 Cameron and said, "If you have a copy of the contract,
10 please send it to me," and I didn't hear anything.

11 I finally went and met with Mr. Addison last week
12 at his house and he had -- he told me he'd been in the
13 hospital for about 18 months after the storm. He says
14 he cannot DocuSign, cannot e-sign anything. And so I
15 would like to at least have a chance to discuss with him
16 this letter, this handwritten letter. I see a copy of
17 the contract, Your Honor.

18 THE COURT: Well, the contract was, looks like, an
19 electronic signature.

20 MR. FILO: That's correct. We've got his actual
21 signature on our contract.

22 THE COURT: January 18, 2022.

23 MR. FILO: Right.

24 THE COURT: Will note that the contract is for
25 Hurricane Ida.

1 MR. FILO: Yeah, it looks like it references
2 Hurricane Ida.

3 THE COURT: Hurricane Ida.

4 MR. HUYE: That's what the client -- and, Your
5 Honor, we subsequently went back to our client, just
6 based on the location, to say was that a mistake, was
7 that an issue. And, Your Honor, we have a separate
8 document that I've shared with Mr. Filo on May 24th
9 specifically confirming representation to file suit for
10 Hurricanes Laura and Delta and not Hurricane Ida.

11 THE COURT: Okay.

12 MR. HUYE: It's the one with the blue on it.

13 THE COURT: What's the letter that Mr. Addison --
14 I'm not -- I hear there's a letter he wrote.

15 MR. FILO: Looks like a handwritten letter, Your
16 Honor. First time I'm seeing it. Mr. Addison is here
17 in the courtroom so we can certainly discuss this with
18 him and I can maybe talk to him about the letter. Is
19 there a date on this letter?

20 MR. HUYE: Looks like on the second page,
21 November 11th.

22 MR. FILO: 11/14 of '22.

23 THE COURT: What was the date?

24 MR. FILO: It says 11/14 of '22. It doesn't say
25 who it's addressed to.

1 MR. HUYE: It came to our office. It was
2 relatively recent.

3 MR. FILO: Yeah, it was only a couple weeks ago.
4 But to be complete on this, Your Honor, so we did what
5 we normally do. We got suit filed. We got a copy of
6 the dec. sheet, made sure we had the right insurance
7 policy. Our lawsuits have the policy number in them.
8 That was in there.

9 We then sent out an estimator. Alsure went to his
10 house. We were not aware of any appraisal that had been
11 done so we sent an estimator out. It turns out that our
12 estimate, I think, was done maybe in September, October.
13 We got the report. It also shows that the amount owed
14 was over limits. My understanding when I called the
15 Allstate attorney is that she said, "Look, we actually
16 went out there in the summer and did an appraisal and
17 the appraisers got together and also agreed that the
18 amount was over policy limits." And so he's living in
19 his trailer right behind the house. That house is
20 completely unlivable. Half the roof is missing.

21 And so we were -- we turned that into Allstate. I
22 then get a call from the Allstate attorney who tells me
23 that there's a check out there with my client's name on
24 it and the spouse's name on it and the mortgagee's name
25 on it, which we were unaware of. I don't know when this

1 was actually sent. I'll talk to him. But this does
2 deal with how much it's going to cost to fix his house.
3 So perhaps someone from the McClenny firm may have
4 contacted him to say we're holding some of your money or
5 something like that. To this day he has not --

6 THE COURT: That letter you said is November?

7 MR. FILO: Says at the bottom November 14, '22.

8 MR. HUYE: Your Honor, important to note with the
9 letter is that we'd sent the client a breakdown of the
10 additional money that we received after the appraisal
11 and how much would come out for attorney's fees and how
12 much would come out for costs. Mr. Filo, it's attached
13 to the letter. And it's signed by Mr. Addison. And so
14 that would be kind of the specifics of how the money
15 would be distributed. That's how things worked.

16 THE COURT: Okay.

17 MR. FILO: And the date of that letter? I'm
18 looking at it but --

19 MR. HUYE: So it's -- the date on the top of what
20 we call the breakdown is going to be the date on which
21 we sent it. We'll have to look at the signature line.
22 Looks like he signed it November 7th, 2022, on that top
23 signature line on the second page.

24 MR. FILO: So on November the 2nd?

25 MR. HUYE: 7th.

1 MR. FILO: 7th?

2 MR. HUYE: Yeah, looking at the blue handwritten
3 signature, N-0-V, 0-7, 2-0-2-2.

4 MR. FILO: This was a few weeks ago. Was this
5 letter -- was this disbursement sheet signed by him
6 attached to the letter --

7 MR. HUYE: Correct.

8 MR. FILO: -- and sent back?

9 MR. HUYE: That's right. So whenever we get a
10 chance to review the letter, I know Mr. Filo just sent
11 it to you, that's not fair, but when you get an
12 opportunity to read it, see references within this
13 writing that I am attaching.

14 THE COURT: Mr. Townsley, I see you sitting there.
15 What are you doing here?

16 MR. TOWNSLEY: When I got here you said you were
17 going to listen and let him do some talking and
18 explaining, but I -- there's an excuse for everything,
19 but I haven't really heard a full explanation. So I'm
20 Todd Townsley. On behalf of this community, I am
21 interested in how these settlements get put through. So
22 these people got a check. Can you have him explain what
23 they do with those and how they get endorsements? If
24 this man has no legs and can't get out of his house,
25 how'd they get him to sign the back of the check? What

1 is their process?

2 THE COURT: Yeah.

3 MR. HUYE: Your Honor, if I may? I mean, I'll
4 answer any of your questions. I don't want this to turn
5 into a fishing expedition amongst other counsel.

6 THE COURT: Here's the deal. I got a copy of the
7 Allstate check. It's got a stamp on here from y'all
8 POA. I'm assuming that means power of attorney?

9 MR. HUYE: Yes, Your Honor.

10 THE COURT: I've read your contract. It
11 specifically says you do not have a power of attorney in
12 your contract to sign, endorse checks. It says a
13 separate power of attorney would be gathered for that
14 purpose.

15 MR. HUYE: That's correct, Your Honor.

16 THE COURT: That's concerning to me. The other
17 thing that's concerning and I'm assuming -- because this
18 was brought to my attention as I was going through these
19 files. I'm assuming this is why you're here. You
20 represent the mortgage holder, correct?

21 MR. TOWNSLEY: I do. I want to make a record, too,
22 but I'd first like to get an explanation.

23 THE COURT: Well, we'll get that.

24 But there's endorsement on here for the mortgage
25 holder, Mr. Huye.

1 MR. HUYE: Yes, Your Honor.

2 THE COURT: How do you have the authorization to
3 endorse a check for the mortgage holder?

4 MR. HUYE: Yes, Your Honor. In our breakdown
5 language there is an additional power of attorney
6 included within the language. The language of the
7 breakdown itself grants us a limited power of attorney
8 to endorse checks which are referenced within the
9 breakdown.

10 THE COURT: I understand you can have a very
11 specific power of attorney for your client --

12 MR. HUYE: Yes, Your Honor.

13 THE COURT: -- but not the mortgage holder.

14 MR. HUYE: We signed on behalf of the mortgage
15 company?

16 THE COURT: You did. That's what -- I see it on
17 here, Accord. I can't read the writing.

18 MR. LACOSTE: Your Honor, Jordan Lacoste on behalf
19 of Allstate. Yes, Your Honor, below the names of Mel
20 Addison and Adriana Addison, it clearly does say Accord
21 below that. So yes, the mortgage holder is endorsed on
22 this check.

23 THE COURT: How'd that happen?

24 MR. HUYE: I would have to go through some records
25 to figure that out. That would not be part of the

1 standard process.

2 MR. FILO: Your Honor, I have a question, too,
3 about what he just said. So you say that you've got a
4 power of attorney based on this November 7th, 2022
5 signature, correct?

6 MR. HUYE: I'm not -- I'm just saying that we --
7 and I was prepared to discuss our representation, Your
8 Honor.

9 THE COURT: I think my order was for you to bring a
10 breakdown of the fees and any money you held in your
11 trust account for this case because this was brought to
12 my attention -- what's that? And powers of attorneys
13 because it was brought to my attention when there was
14 duplicate cases and that there was a payment by Allstate
15 with multiple endorsements that I'm being told they
16 didn't authorize, and I'm trying to get to the bottom of
17 how this happened.

18 MR. FILO: And I guess --

19 THE COURT: That's not my phone. Mr. Juneau,
20 that's yours? Hey, you're the only one.

21 MR. FILO: Don't get in trouble.

22 THE COURT: Mr. Juneau can never get in trouble.

23 MR. FILO: I guess the question I've got is -- and
24 I just checked with my client, Your Honor. Mr. Addison
25 did get something. He got this in the mail. He did

1 sign it a couple weeks ago along with a letter saying
2 thank you for whatever. Hasn't gotten any money yet,
3 but there does appear to be some kind of power of
4 attorney in it to endorse the check. The problem is he
5 signed it on November the 7th for a check that got
6 endorsed three months earlier, September 27th. How'd
7 that happen?

8 MR. HUYE: Mr. Filo, respectfully, I'm only going
9 to answer the Court --

10 THE COURT: Yeah. No, I'd like to know how that
11 happened.

12 MR. HUYE: Your Honor, I think I would have to go
13 through my records to see if we have a power of attorney
14 which predated --

15 THE COURT: You're supposed to bring them today.
16 That was part of my order.

17 MR. HUYE: Yes, Your Honor.

18 THE COURT: My concern is you got a stamp. Any
19 time I see a stamp that means it happens a lot. Why
20 else would you have a stamp. And so my question to you
21 is: Is it a matter of practice that you endorse for
22 mortgage holders?

23 MR. HUYE: No, Your Honor, absolutely not. The
24 process for if we were to endorse for a mortgage holder,
25 we would have to have a power of attorney with that

1 mortgage company. We're always looking for those.
2 We're trying to get our clients --

3 THE COURT: Have you ever gotten a power of
4 attorney from a mortgage holder? Because I can tell you
5 I've never seen one. They usually make you send that
6 check off to them and they won't -- I haven't heard of
7 them letting anybody just sign for them, but that's just
8 from what I heard. I'm not saying it doesn't happen,
9 but I have never heard of that.

10 MR. HUYE: Your Honor, I am aware that there have
11 been certain power of attorneys granted by mortgage
12 companies. I believe my firm did have one with certain
13 mortgage companies before I was involved. I have not
14 put that eye on it myself, and I know that we are
15 seeking powers of attorneys from mortgage companies.
16 However, without that --

17 THE COURT: I'm going to be honest with you, if you
18 get a power of attorney from a mortgage company, I want
19 you to call me and let me know which one it is because I
20 don't think you're going to get that. I've never --
21 these mortgage companies -- in fact, I wish Congress in
22 some way would change the law to help expedite payment
23 to people because it really holds up the rebuilding
24 process. I understand they've got to protect their
25 collateral and that's why they're so protective of it,

1 because they're an additional insured on the policies.
2 I have not yet seen one give someone an unfettered power
3 of attorney because they want -- sometimes they even
4 hold some of that money and make you show them proof
5 that you've repaired the property in increments, and
6 they release the money in increments because they want
7 to be sure the people don't just -- not that most people
8 would do this, but some would, take the money and not
9 fix the house, because that's their collateral. So the
10 day you get a power of attorney from a mortgage holder
11 call me. I want to know who they are because I might go
12 get my mortgage with them.

13 MR. HUYE: Working on it, Your Honor. We have one
14 attorney that's her full-time job.

15 THE COURT: Yeah, she's going to be working till
16 infinity for that, in my view.

17 Mr. Townsley, you rise.

18 MR. TOWNSLEY: Yeah. I don't think that they
19 understand the seriousness of what they have done here.

20 THE COURT: Well, it's a violation of law, I can
21 tell you that, if they didn't have authorization to
22 endorse this check.

23 MR. TOWNSLEY: I think it's a criminal forgery, and
24 I want to make a record. And my client is here and he
25 did not give them permission, nor do they have a power

1 of attorney for him. I'd like to call Mr. Kermith
2 Sonnier to the stand.

3 THE COURT: All right. Mr. Sonnier, come on up.
4 So he's the mortgage holder?

5 MR. TOWNSLEY: Yes, Your Honor.

6 THE COURT: So it's a private mortgage?

7 MR. TOWNSLEY: Yes.

8 THE COURT: Is it filed in the conveyance records
9 of the courthouse?

10 MR. TOWNSLEY: It is, Your Honor.

11 THE COURT: Mr. Sonnier. Tina, swear him in.

12 **KERMITH SONNIER,**
13 after being first duly cautioned and sworn to tell the truth,
14 the whole truth and nothing but the truth, did testify on
15 oath as follows:

16 **DIRECT EXAMINATION**

17 **BY MR. TOWNSLEY:**

18 **Q.** Mr. Sonnier, will you please --

19 THE COURT: Pull the mic down, Mr. Sonnier. Is
20 there a little green light on?

21 **BY MR. TOWNSLEY:**

22 **Q.** Give us your full name, please.

23 **A.** My first name is Kermith, K-E-R-M-I-T-H. Last name
24 is Sonnier, S-O-N-N-I-E-R.

25 **Q.** What's your address, sir?

1 A. My home address is 4215 East Jevon Lane, Lake
2 Charles, Louisiana.

3 Q. Mr. Sonnier, you have a company?

4 A. Yes, sir.

5 Q. What's the name of your company?

6 A. I have a company called Accord Services,
7 Incorporated.

8 Q. We're here today to talk about a property that's
9 located at 2700 Common Street. Are you familiar with that
10 property?

11 A. Yes, sir.

12 Q. Could you tell us about when you purchased that
13 property.

14 A. I purchased that property about, maybe, 14, 12, 14
15 years ago.

16 Q. Please describe it for us. What's it look like?
17 How big is it?

18 A. I'd say it had approximately 1100 square feet. It
19 was two bedroom, bathroom, living room, dining room, and a
20 kitchen.

21 Q. Did you sell that property?

22 A. Yes, sir.

23 Q. Who did you sell the property to?

24 A. Mel Addison.

25 Q. Mr. Melvin Addison, II?

1 A. I guess it's the second.

2 Q. All right. You see him in the courtroom?

3 A. Yes, sir.

4 Q. Could you point him out to us.

5 A. (Witness complies.) Right there, the bald-headed
6 man.

7 Q. Let the record reflect he's pointed to Mr. Addison
8 who's Mr. Filo's client and maybe the McClenny Moseley
9 client.

10 I need to ask you when you sold this property to
11 Mr. Addison did the property -- did y'all have a deal? What
12 was the deal?

13 A. The deal was that he was going to -- I was going to
14 owner finance it for so many years for him and he was going
15 to pay me per month.

16 Q. Did y'all have a promissory note?

17 A. Yes, sir.

18 Q. Did there come a time where you actually filed your
19 promissory note, you got a vendor's lien mortgage on this
20 property at 2700 Common Street?

21 A. Yes, sir.

22 MR. TOWNSLEY: Your Honor, at this time I would
23 offer as exhibit, are we on B to this hearing, the
24 Petition to Enforce the Security Interest by Ordinary
25 Process. This is Accord Services, Inc. versus Melvin

1 Irwin Addison, II, filed in the 14th Judicial District
2 Court, Parish of Calcasieu, on January 17th of 2020.
3 This would have been of record before the hurricane.
4 I'll give the McClenny --

5 THE COURT: So it's in the conveyance records?

6 MR. TOWNSLEY: Yes, it is. This is Exhibit B.

7 THE COURT: What he's doing, Mr. Moseley, if you
8 don't understand, he's establishing that there's a
9 mortgage on this property. That's what he's doing.

10 MR. HUYE: Yes, Your Honor.

11 THE COURT: And he's also called him to the stand
12 because he says -- I'm assuming where you're going with
13 this, Mr. Townsley, he didn't sign this check.

14 MR. TOWNSLEY: I'm heading there but laying the
15 foundation that he has an interest --

16 MR. HUYE: Your Honor, if I may?

17 THE COURT: I'll tell you what it is. He's making
18 a record. You got an objection?

19 MR. HUYE: No, Your Honor.

20 THE COURT: Okay.

21 BY MR. TOWNSLEY:

22 Q. As Exhibit C to this hearing, Mr. Sonnier, you
23 recognize a Judgment that you got in this case?

24 A. Yes, sir.

25 Q. So Mr. Addison knew you had a mortgage, didn't he?

1 A. Yes, sir.

2 Q. He knew you had a promissory note?

3 A. Yes, sir.

4 Q. Tell us who you hired as your lawyer to file these
5 in the mortgage and conveyance records.

6 A. Mr. Darryl Austin.

7 MR. TOWNSLEY: Your Honor, I offer the Judgment
8 which was filed in the record in the 14th Judicial
9 District Court, they have a copy of it, on March 16th of
10 2020, also before the hurricane.

11 THE COURT: It'll be admitted.

12 MR. TOWNSLEY: As Exhibit D in the Calcasieu Parish
13 Clerk's Office with Lynn Jones noted as the clerk and
14 Accord Services, Inc. noted as the mortgagee filed on
15 August 10th of 2020, also before the hurricane, is
16 listed Accord Services, Inc. as the mortgage holder on
17 this property. Offer that as our next exhibit.

18 THE COURT: So there was public notice and public
19 record of the mortgage; is that what you're pretty much
20 establishing, Mr. Townsley?

21 MR. TOWNSLEY: Yes, I am.

22 BY MR. TOWNSLEY:

23 Q. Now, Mr. Sonnier, I'm going to hand you a copy of a
24 check from Allstate that says pay to the order of McClenny
25 Moseley & Associates, PLCC, and Mel Addison, Adriana L.

1 Addison and Accord Services, Inc., and ask you if you
2 recognize this check. May I?

3 THE COURT: Yes.

4 A. I never seen this check.

5 BY MR. TOWNSLEY:

6 Q. Does it have your company's name on it?

7 A. Yes, sir.

8 Q. What's the amount of the check?

9 A. 89,522.67.

10 Q. McClenny Moseley, have you ever had any dealings
11 with that law firm?

12 A. No.

13 Q. You see these two lawyers in the courtroom here
14 today; have you ever met them before today?

15 A. Yes, sir.

16 Q. When did you meet them?

17 A. I met them when they was working with John
18 O'Donnelly.

19 Q. Have you ever spoken to any of these lawyers in the
20 courtroom about that check that was dated August 24th of
21 2022?

22 A. No, sir.

23 Q. Did they have permission by you orally, over the
24 phone, to sign your name to that check?

25 A. No, sir.

1 Q. Did they have a power of attorney for you?

2 A. No, sir.

3 Q. Have you even ever talked to them about this
4 property that you have an interest in?

5 A. No.

6 MR. TOWNSLEY: Your Honor, I'd offer that as our
7 next exhibit, the check with Mr. --

8 THE COURT: What's the breakdown, Mr. Filo, of
9 what -- is there any payment -- were you to get proceeds
10 from this check, Mr. Sonnier?

11 MR. SONNIER: No, sir, I never got a penny.

12 THE COURT: But were you supposed to get proceeds?

13 MR. SONNIER: Yes, sir.

14 MR. FILO: According to the breakdown that I just
15 received this morning on a -- looks like was sent via
16 mail to my client, Mr. Addison, they have the gross
17 payment of 89,522.67, attorney's fees of 29,840.89, and
18 case expenses of 2,685.68, for a total payment to the
19 client of 56,966.10. No mention of any payment to a
20 mortgage company.

21 THE COURT: Okay.

22 BY MR. TOWNSLEY:

23 Q. Mr. Sonnier, I have -- did you ask your attorney
24 how much Mr. Addison owes you under this mortgage?

25 A. Yes, sir.

1 Q. And did Mr. Darryl Austin figure out the interest
2 rate and what Mr. Addison still owes you for this piece of
3 property?

4 A. Yes, sir.

5 MR. TOWNSLEY: Like to hand him as our next exhibit
6 the calculation of what is owed as of a December 15th
7 payoff.

8 MR. HUYE: Mr. Townsley, can I have a copy?

9 MR. TOWNSLEY: I gave you a copy. You have it. I
10 gave you a copy of everything I'm introducing.

11 BY MR. TOWNSLEY:

12 Q. Mr. Sonnier, could you tell the Court how much is
13 owed to you by Mr. Addison?

14 A. 42,161.51.

15 Q. So how did you feel when you found out your name
16 was on a check that you're owed over \$40,000 that should come
17 out of that check payable to you and you aren't going to get
18 a penny of it?

19 A. Repeat that question.

20 Q. How do you feel about your name being on the check,
21 somebody forged your name on the back, and you weren't going
22 to get a penny of it?

23 A. I didn't feel too good, and that's why I called
24 Darryl Austin when Tom Filo called me about this claim.

25 Q. Do you feel like you're entitled to \$42,161.51?

1 A. Yes, sir.

2 Q. Are these documents that we went over public record
3 here in Calcasieu Parish?

4 A. Yes, sir.

5 Q. Did you see where Allstate put your name on the
6 check?

7 A. Yes, sir.

8 Q. Are you willing to trust McClenny Moseley to pay
9 you the money on this?

10 A. No.

11 MR. TOWNSLEY: Your Honor, I'm going to ask that
12 that money be withdrawn from their trust account and put
13 in a safe place because Mr. Kermith Sonnier has a right
14 to that money. It's not supposed to go to Mr. Addison
15 like they have in their disbursement sheet here. This
16 is illegal, it's improper, and it's stealing money from
17 my client.

18 THE COURT: You want to respond? And, listen, you
19 had notice. I gave you notice to come here prepared
20 today to talk to me about powers of attorney,
21 disbursements, accountings on this file.

22 MR. HUYE: Yes, Your Honor. I had no idea that
23 we'd be discussing Accord Services or anything --

24 THE COURT: Everything on that check you were given
25 notice on this claim, trust account, filings,

1 disbursements on this whole thing, so that means
2 everything.

3 MR. HUYE: Yes, Your Honor.

4 THE COURT: Explain to me, first of all, my
5 question I want answered, who signed this check for the
6 mortgage holder?

7 MR. HUYE: Yes, Your Honor. It was not myself or
8 Mr. Reynaud. I would have to go and interview my firm.
9 I'd be more than happy to do that to figure out how this
10 happened. If this was improper, I'm more than happy to
11 do whatever we can to get this cleaned up for
12 Mr. Sonnier. I know him from my past. I think he's a
13 very upstanding gentleman and certainly would want to do
14 anything that I could to help him within the laws.

15 THE COURT: Go ahead. What do you know about this
16 check? Besides telling me you don't know who signed it,
17 tell me what you do know about it.

18 MR. HUYE: Your Honor, I know that we invoked
19 appraisal. This was the result of the appraisal award.
20 I know that we followed our standard process which was
21 to send out a breakdown to the client to request from
22 them permission for distributions. If there was a
23 mortgage company on the check, we would classify that as
24 an encumbered check within our firm. And even though we
25 received a signed breakdown back from the client, we

1 understood that we first would have to get the
2 endorsement or at least permission to endorse on their
3 behalf from anyone else other than the insureds on the
4 check. I'm not certain if this was some form of a
5 mistake that my team didn't recognize in Accord Services
6 versus a Wells Fargo or a Chase Bank, but I'm not happy
7 about the information or allegations that are being
8 raised. I just don't have the information to refute
9 them at this time; but, Your Honor, I would love the
10 opportunity to go back and to figure out what happened
11 and to make sure that Mr. Sonnier is taken care of.

12 THE COURT: The problem was that was for today.
13 That's why I set this for hearing today. You should
14 have answers for the Court today on how this happened.
15 I mean, do y'all make it a practice of endorsing these
16 for mortgage holders or whoever's on the check?

17 MR. HUYE: Absolutely not, Your Honor, not without
18 their permission.

19 MR. FILO: Your Honor, one of the things I think
20 that bothered my client the most is he's not received a
21 penny of this.

22 THE COURT: They're claiming he told them not to
23 disburse it in that letter --

24 MR. FILO: Well, I'm reading the letter.

25 THE COURT: -- which is surprising to me. I've

1 never heard of a client not wanting their money. I've
2 practiced law for 27 years and I've never heard of that.

3 MR. FILO: It says, "Hold mine until it's enough to
4 fix the house. This is not enough money to fix my
5 house." The issue I've got after seeing this --

6 MR. HUYE: Your Honor, I think it's a little bit
7 troublesome to enter this into the record. This is a
8 private communication with the client.

9 THE COURT: Let me tell you this. Mr. Addison,
10 you're here?

11 MR. ADDISON: Yes, sir.

12 THE COURT: He's saying it's attorney-client
13 privilege. You hold the privilege. It's up to you.

14 MR. ADDISON: (Indiscernible.)

15 THE COURT: Huh?

16 MR. ADDISON: Also stated in that letter when I
17 talked to the guy on the phone that Mr. Kermith was
18 supposed to get paid. They did not show it in there.
19 And, second, what little money I had I couldn't do
20 nothing with. I said just hold that money. If they put
21 it all in the trust and didn't pay him, it has
22 nothing --

23 MR. HUYE: Mr. Addison, I want to make sure that
24 you know that this doesn't have to be entered into the
25 record. This was something that you sent to me as your

1 lawyer. You have the right to say --

2 MR. ADDISON: I told you three times. I asked when
3 y'all contacted me if y'all were with the Cox law firm.
4 I thought y'all were all together. I've been going
5 through a lot of physical and medication --

6 MR. FILO: You want to get him on the record,
7 Judge, on the microphone?

8 MR. TOWNSLEY: Let me finish up with Mr. Sonnier.

9 THE COURT: You'll get a chance to ask him
10 questions.

11 MR. TOWNSLEY: Let me just finish up.

12 BY MR. TOWNSLEY:

13 Q. Mr. Sonnier, did you go by and look at 2700 Common
14 Street after the hurricane?

15 A. Yes, sir.

16 Q. Could you describe for us what damage you saw.

17 A. It's not -- it wouldn't be cost effective to try to
18 fix the house.

19 Q. You think it was a total loss?

20 A. Yes, sir.

21 Q. Describe why. What did you see?

22 A. The top of the roof's gone. There was some walls
23 gone. Interior was gone.

24 Q. Did water come through the opening in the roof down
25 into the property?

1 I guess if you were paid in full would you have any remaining
2 interest in the property?

3 A. No.

4 Q. And is it your belief and understanding that all
5 future settlement funds from this case would be the exclusive
6 ownership of Mr. Addison? Is that correct?

7 A. I would sign a release that everything is paid in
8 full.

9 MR. HUYE: Okay. Your Honor, no further questions.

10 THE COURT: I guess it's your position that the
11 house is totalled and not fixable. I guess that's what
12 I'm hearing from you. That's why you want the full
13 amount. I mean, is that what you're saying?

14 MR. SONNIER: Yes.

15 THE COURT: So I understand. I mean, obviously, if
16 the house is a total loss, usually the mortgage -- the
17 collateral's gone so they want to be paid.

18 So, Mr. Addison, come up here, please.

19 MR. HUYE: Your Honor, may we ask a few more
20 questions of Mr. Sonnier?

21 THE COURT: Yeah. Go ahead. Mr. Sonnier, hold
22 tight. Go ahead.

23 **CROSS-EXAMINATION**

24 **BY MR. REYNAUD:**

25 Q. Mr. Sonnier, my name's Claude Reynaud. I have a

1 couple of questions, and this may be a bit ignorant
2 considering I don't know the process by which the checks are
3 endorsed and processed by your firm or your entity. But when
4 you receive checks at Accord Services, do you personally see
5 every single check?

6 A. Yes.

7 Q. You personally see every single check?

8 A. Yes.

9 Q. Okay. And how do you know that it was someone --
10 I'm sorry. Do you endorse every single check yourself?

11 A. If I have to endorse it, I have a stamp that's at
12 the bank with the bank number that the bank set it up for me
13 so I can send it to the insured so they can get their money
14 directly.

15 Q. But has anybody ever endorsed checks at Accord
16 Services besides you?

17 A. No.

18 Q. That's all I have.

19 THE COURT: Okay. Anything else? You can step
20 down.

21 Mr. Addison, what I want -- you can stay right
22 there. The confusion the Court has now is this, who
23 represents you. I have two lawsuits for you. I have
24 Mr. Filo's firm and I have Mr. Moseley -- McClenny
25 Moseley, and I need to understand who represents you and

1 how we're going to sort this out.

2 MR. ADDISON: Yes. Cox law firm represents me. I
3 told them when I called, a few times I had to call them,
4 and I let them know that I'm dealing with Cox.

5 THE COURT: How did you come to retain them? I
6 mean, obviously, you --

7 MR. ADDISON: I don't know.

8 THE COURT: You don't know? What do you mean you
9 don't know?

10 MR. ADDISON: I don't know. I was in New Orleans.
11 My mother may have called on my behalf. But I asked
12 her, I called her up, she's disabled too, and she said
13 she didn't sign anything or anything.

14 THE COURT: There's an electronic signature on this
15 contract for you.

16 MR. ADDISON: I can't DocuSign anything. My phone
17 is a government phone. They know that.

18 THE COURT: What do you mean it's a government
19 phone?

20 MR. ADDISON: Well, I'm low income. I have no
21 money --

22 THE COURT: I understand.

23 MR. ADDISON: -- so I get one of them emergency
24 assist phones.

25 THE COURT: Oh, I gotcha. It's just for the

1 emergency. It doesn't do all -- okay. I'm sorry.

2 MR. ADDISON: No DocuSign or nothing.

3 THE COURT: Do you have a computer?

4 MR. ADDISON: When I go to the library.

5 THE COURT: Well, they have a signature on here for
6 you dated January 18, 2022.

7 MR. ADDISON: I was in New Orleans at the time. I
8 don't remember if I was or not. I was on a lot of --

9 THE COURT: Do you remember ever going to their
10 website or doing anything?

11 MR. ADDISON: That's not my signature.

12 THE COURT: I think it's an electronic signature
13 that you can adopt. I mean, I've done a few DocuSign
14 things. So it kind of adopts a cursive signature for
15 you, but you don't remember doing this. Do you want
16 them to continue to represent you?

17 MR. ADDISON: (Shakes head side to side.)

18 THE COURT: So he doesn't -- what's that?

19 MR. ADDISON: I called them three, four times. And
20 I want it to be known that when they came up with the
21 money I wrote a letter stating my funds, they can keep
22 it because I didn't want to have anything to do with it.
23 And I wanted to make sure, if there was any money, that
24 Mr. Kermith over there got paid. I wanted to make sure
25 he got paid. I even said it when they talked to me over

1 the phone. I said it --

2 THE COURT: Do you remember who you talked to?

3 MR. ADDISON: Just some guy that -- he sounds like
4 he's from India or something. He's a pretty cool dude.
5 "Very good, man." That's how he talks. That's all I
6 can say about it. I don't know, you know.

7 THE COURT: Okay. Well, here's what we're going to
8 do. I'm very -- I want you to go back and I want you to
9 report to the Court how this Mr. -- I want to understand
10 how this mortgage holder, Accord Services, signature
11 ended up on this check. Somebody signed it in your
12 office and y'all need to have better controls in place
13 because that's a serious problem. I mean, that's a
14 forgery. Yes?

15 MR. TOWNSLEY: I'm wondering if they took their
16 fees and expenses, even if this is still in the trust
17 account. I would like to see you transfer this to --

18 THE COURT: No, I'm getting there. I'm getting
19 there.

20 MR. TOWNSLEY: I want to protect my client, and I
21 don't trust them to do that.

22 THE COURT: I understand. You're getting ahead of
23 me. Yes, sir?

24 MR. ADDISON: I did get a call Friday and they said
25 they were disbursing a check to me and it's supposed to

1 be coming in the mail. I don't know. I called Mr. Filo
2 up and told him. I was like check for what, you know.

3 THE COURT: Here's what's going to happen.

4 MR. ADDISON: And it was Ida which I don't even
5 claim.

6 THE COURT: I understand. Your contract says Ida.

7 MR. ADDISON: You know what I'm saying?

8 THE COURT: Yeah. Here's what you're going to do.
9 You're going to transfer the \$89,522.67 to Mr. Filo's
10 firm, and you're going to put it in your trust account.
11 You're going to submit to me your expenses and any fees
12 that you claim you've earned. I need backup of any
13 expenses.

14 Mr. Filo, you're going to hold that money in your
15 trust account.

16 Mr. Townsley, you submit to the Court -- I think we
17 have it in the record; but I would ask that you also
18 submit to the Court a formal request for what your
19 client, the mortgage holder, is owed. At that point
20 I'll issue an order on the disbursement of these funds.

21 MR. TOWNSLEY: Yes, sir. I want to point out to
22 you that was a payoff through today's date so it will go
23 up a little bit based on the interest, but I'll have
24 Darryl Austin recalculate that and send that to you.

25 THE COURT: You give them, Mr. Filo, the process or

1 however you want to do it to transfer these funds.
2 Since you're his attorney and it's clear he wants you to
3 represent him, these funds should be -- you should hold
4 them and do the disbursement --

5 MR. FILO: Yes, Your Honor.

6 THE COURT: -- because I think it's obvious that
7 you've had trouble communicating with them.

8 MR. ADDISON: There was supposed to be a lawyer
9 come on and talk and I never got to talk to a lawyer. I
10 got to call them and nothing goes through. I wait and
11 they say they'll give me a call back in 48 hours. And I
12 know sometimes during the weekend or the weekdays at the
13 end of the week and I call, I figure that two days,
14 they're not counting them; but I never get a call.

15 THE COURT: I would also, Mr. Moseley, be sure you
16 go through your office practices and be sure y'all
17 aren't endorsing checks for other mortgage holders
18 because, this is a private mortgage, but if this was a
19 federally insured mortgage you would be committing, your
20 firm would be committing a federal offense. So you'd
21 better -- y'all better get tighter controls.

22 I'm going to tell you, there's two ways a lawyer, I
23 find in my 27 years of practicing law, get themselves in
24 trouble. One is commingling or messing around with
25 their IOLTA account. It's dangerous. The Bar is very

1 serious about that. Number two, lack of client
2 communication. Those are the two things that will get
3 you in trouble the quickest.

4 MR. FILO: Your Honor, since we're going to be
5 handling the funds, there's two things that I'd like to
6 see as well. The check was negotiated, put into their
7 account on September the, I think, 28th of 2022. Those
8 are the funds that I believe are to be transferred to my
9 law firm. I would like to see a copy of any power of
10 attorney to do that on or before that date, not on
11 November 7th, two months later, but on or before the
12 date --

13 THE COURT: What he's saying is you didn't have a
14 power of attorney to endorse this check for the client.
15 And I would like to see that, too, if you have one.
16 Because what you're suggesting, this check was
17 negotiated before that letter so you signed for the
18 client without his permission. But you're saying you
19 think you have a power of attorney for him?

20 MR. HUYE: Yes, Your Honor, that's my belief.

21 THE COURT: You need to find it.

22 MR. FILO: The other thing we'd like to know about
23 these funds is I'd like to see or at least have the
24 Court request that they provide to the Court a breakdown
25 of whether or not they took any fee out.

1 THE COURT: They're not taking any fee out.

2 MR. FILO: If they've already taken the fee out of
3 their IOLTA account, I don't know.

4 THE COURT: No, they haven't. They haven't taken a
5 fee out of this yet.

6 MR. HUYE: Out of this check, I'm not sure of that,
7 Your Honor. My belief would be, though, if the money
8 was put into our IOLTA, then we would have, per the
9 breakdown, transferred the funds to our operating
10 account.

11 THE COURT: Okay. I need to know when you did
12 that. You need to provide to the Court when you
13 transferred the funds, your fee, out of that IOLTA
14 account.

15 MR. FILO: Thank you, Your Honor.

16 THE COURT: I need the date --

17 MR. REYNAUD: Your Honor, if I may?

18 THE COURT: -- and the amount of when those funds
19 were transferred out of that account.

20 MR. REYNAUD: Your Honor, upon further review of
21 this retainer agreement that was signed by Mr. Addison
22 on --

23 THE COURT: I've read it from cover to cover.

24 MR. REYNAUD: If you look at Paragraph No. 7, it
25 says limited power of attorney to execute documents. I

1 think that's probably the basis --

2 THE COURT: Yeah, but if you read the rest of it --
3 read the rest of it. Read the last sentence. I've
4 almost got that thing memorized. The last sentence says
5 it does not include negotiable instruments, that y'all
6 will seek additional power of attorney for any whatever.
7 I'm paraphrasing.

8 MR. REYNAUD: I apologize, Your Honor. Correct.

9 THE COURT: I practiced law 27 years. One thing I
10 learned, don't ever ask the question unless you know the
11 answer to it.

12 MR. REYNAUD: Yes, Your Honor.

13 THE COURT: Okay. That's what we're going to do.
14 We clear on the record? You got it down? That's going
15 to be in the minute entry. Tina, you got it? Yeah, I'd
16 like that within seven days.

17 MR. FILO: Judge, can we get --

18 THE COURT: I'd like it before -- I want to know
19 when that money left that trust account.

20 MR. FILO: Your Honor, since we're going to be
21 handling those funds, can we get a copy of anything they
22 provide to the Court on when they took a fee out of
23 those funds and/or any other power of attorney that
24 might have existed on the day they actually endorsed for
25 my client?

1 THE COURT: Yes.

2 MR. FILO: Thank you.

3 THE COURT: I say seven days. You have seven days
4 from today you need to provide that information to the
5 Court.

6 MR. FILO: One more thing, Your Honor. If, in
7 fact -- over the weekend Mr. Addison called me to tell
8 me that he got another call from someone saying that
9 they were going to send a check to him for \$56,000. If
10 there is a check floating --

11 THE COURT: If it comes, let me tell you what I
12 need you to do, you need to give that to Mr. Filo and
13 you need to tear it in half. We're going to start over.
14 Okay. We're starting over.

15 MR. FILO: Thank you, Your Honor.

16 THE COURT: I want everything to you, I want that
17 from you, and then we're going to start over.

18 God help us -- excuse me. I shouldn't say that.
19 Forgive me. I don't want to see this anymore. I'm
20 doing it today really to educate you on what you're not
21 supposed to be doing, and this is not what you're
22 supposed to be doing. I don't want to have any more
23 court hearings for this stuff. I want y'all to get into
24 your files, I'm talking deep dive into them, and you
25 start reaching out and you start figuring out these

1 problems and cleaning it up because it's going to
2 continue to come to my attention. I know for a fact
3 other insurers are going through their files now with
4 you guys finding out which cases have already settled,
5 which cases have -- I'm still finding duplicates. If
6 you can find them before me, you can simply ask for a
7 motion to lift the stay, to dismiss, and we're good.
8 But if I get it, it's too late.

9 MR. HUYE: Yes, Your Honor.

10 THE COURT: Now, the last thing for this morning I
11 wanted to talk to you guys about, Nancy Crockett. Is
12 Ms. Crockett here? Ms. Crockett has reached out to my
13 office. And I'm going to tell you right now, I don't
14 meet with lawyers. Okay.

15 By the way, I want to clarify something for the
16 record. I don't give interviews. Okay. I don't
17 interview. I don't give interviews to the news media.
18 I can't imagine any federal judge would. And I
19 certainly don't give interviews about pending
20 litigation. After our last hearing, it made the paper,
21 which I didn't really want and was unfortunate because I
22 didn't -- but you need to tell your partner over there
23 in Houston, or whoever, if he's going to give an
24 interview to the media, he needs to get his facts
25 straight because if I get one more comment like he made

1 I'm going to put a gag order on y'all. Here's the
2 comment he made that really disturbed me. He said y'all
3 met with me after that hearing. Did I miss the meeting?
4 I don't meet with lawyers ex parte. Y'all called my
5 office five times wanting to me meet with me about this
6 contract -- when I ordered the contracts. I think it
7 was at least five times, and I said no on multiple
8 occasions. She said -- my law clerk said no based on my
9 telling her. So when he goes and tells the news media
10 that y'all had a meeting with me, that's not only
11 factually inaccurate but I wouldn't have an ex parte
12 meeting with y'all anyway without counsel being present.
13 What I do is on the record. So I would suggest that --
14 first of all, I really suggest you don't give interviews
15 on litigation matters. But the other thing is, if
16 you're going to do it, be sure you get your facts
17 straight.

18 Now, Ms. Crockett, you reached out to my office.
19 Again, I don't meet with people unless we're on the
20 record in public. Would you mind coming up, ma'am.
21 Because she called my office on a couple occasions.
22 Apparently her case has been dismissed with or
23 without -- without prejudice, and she has informed my
24 office on multiple -- she has not been able to talk to
25 you and your firm.

1 Come on up here to the podium, ma'am. How are you?

2 MS. CROCKETT: Hanging on for dear life.

3 THE COURT: Well, God bless you. You reached out
4 to my office, and I have them here so I figured I would
5 let you come because I couldn't answer this question for
6 you. I can't talk to you as a client of someone. But
7 apparently you reached out, and I was very concerned
8 about this because sounded to me like your case was
9 dismissed. Is that correct?

10 MS. CROCKETT: Yes.

11 THE COURT: And you have not been able to get an
12 explanation on why your case was dismissed, and so that
13 is why I wanted you to come today and get an explanation
14 for you. What's going on with this nice lady's case?
15 Why was her case dismissed without prejudice? And why
16 is it that she's been calling your office and can't get
17 anybody to talk to her?

18 MR. HUYE: Yes, Your Honor.

19 THE COURT: Am I accurate on that? You've been
20 calling and you couldn't get anybody to talk to you?

21 MS. CROCKETT: I'm a caller. I'm not shy. Yes, I
22 did. I have called.

23 THE COURT: I don't like text or e-mail.

24 MS. CROCKETT: I'm old fashioned. I'm old school.
25 I have the phone and I write letters.

1 THE COURT: Me, too. Yes, sir? I want to know
2 what's going on with her case.

3 MR. HUYE: Yes, Your Honor. We've had extensive
4 discussions with Ms. Crockett.

5 THE COURT: Hold on right there. She has just told
6 me that she's called your office on multiple occasions
7 and she's not been able to talk to anybody. Now you're
8 telling me you've had in-depth discussions with her.
9 When did this happen?

10 MR. HUYE: Your Honor, I'd have to go through my
11 records to find exact dates. I would ask Your Honor if
12 you could ask Ms. Crockett if she's discussed her claim
13 with my office, Your Honor.

14 THE COURT: Have you discussed your claim with
15 them?

16 MS. CROCKETT: I've only talked with the ladies, a
17 lady, I can't remember. And when I call it's, "We'll
18 get back to you. We'll call you back." I don't
19 remember. Then again, I have COPD, sleep apnea, and if
20 I don't get enough oxygen here because of my COPD I'm
21 out there a little bit.

22 THE COURT: I understand. So you may have talked
23 to them?

24 MS. CROCKETT: Possibly, yes.

25 MR. HUYE: Ms. Crockett, it's okay. We're not --

1 THE COURT: Yeah. No, I just want to be sure you
2 get answers because I was concerned about your case.

3 Why did her case get dismissed without prejudice;
4 do you know?

5 MR. HUYE: Yes, Your Honor. She has a mortgage
6 company, I believe Cenlar. It's a force-placed policy,
7 unfortunately.

8 THE COURT: Oh, okay.

9 MR. HUYE: So we've been calling around with the
10 mortgage companies and, Your Honor, we talked about this
11 in the last hearing, same set of facts, trying to get
12 them to agree to assign the benefits. Ms. Crockett
13 really needs the help. I actually picked her up from
14 her home this morning.

15 THE COURT: Good. I'm glad you picked her up. So
16 you're telling me --

17 MS. CROCKETT: Hurricane Laura took my car.

18 THE COURT: -- it's a force-placed policy?

19 MR. HUYE: Yes, Your Honor.

20 MS. CROCKETT: Reverse mortgage. I had to go that
21 way to save my home. I've been there 33 years.

22 THE COURT: Unfortunately, a force-placed policy,
23 you don't have standing to bring a lawsuit for it,
24 unfortunately. So now do you understand?

25 MS. CROCKETT: I didn't even know I had a lawsuit

1 going.

2 THE COURT: What do you mean you didn't know you
3 had --

4 MS. CROCKETT: I just found this out recently. I
5 just thought I was going to --

6 THE COURT: Well, you retained this firm.

7 MS. CROCKETT: They retained -- I even asked them
8 how did you -- I never got them. They called me. I
9 even asked the lady when I first met on the phone, "How
10 did I get you?"

11 THE COURT: They have a contract signed by you
12 on --

13 MS. CROCKETT: Yeah, after we conversed about,
14 "Yes, we're going to be your lawyers. I go, "Okay, but
15 I don't remember" -- I never heard of them before.

16 THE COURT: Well, they do have a contract of
17 representation.

18 MS. CROCKETT: Yes, but then we --

19 THE COURT: And I think they filed --

20 MS. CROCKETT: -- they called me and I said, "Okay.
21 I don't remember getting you, but thank you."

22 THE COURT: Did you ever go to their website?

23 MS. CROCKETT: No. I'm not --

24 THE COURT: How did y'all go to retain her?

25 MS. CROCKETT: I'm not smart on technology.

1 MR. HUYE: Your Honor, I've got the contract here.
2 We also have a supplemental letter where she directed us
3 to file suit and signed. We have another letter asking
4 if she had a policy. She said yes. And then a final
5 letter signed by her giving permission for us to
6 dismiss. So we have the collection of letters.

7 Your Honor, from looking at the retainer just in
8 and of itself, I can't tell from what advertising
9 source. I would have to go back through the records and
10 figure that out.

11 THE COURT: So y'all use an advertiser to get your
12 contracts signed?

13 MR. HUYE: Not in all instances, Your Honor.

14 THE COURT: How does that work? Explain that to
15 me. I don't understand how that works.

16 MR. HUYE: Yes, Your Honor.

17 THE COURT: I'm finding a lot of people don't
18 understand how y'all have been retained. So explain to
19 me how this works.

20 MR. HUYE: Your Honor, there's several different
21 ways we get retainers signed. There are some instances
22 whenever it's through an advertiser we have our ethics
23 counsel review the process. But basically, the process
24 would be if someone reaches out to MMA asking for a
25 contract it would get directed to the advertiser who may

1 manage the incoming call center, they would answer
2 questions, they would collect some information and send
3 the DocuSign contract to the client which the client
4 would then review, decide if they do want to sign on
5 and, if it signs on, then they would come to me, Your
6 Honor.

7 THE COURT: So you direct an advertiser, then, to
8 reach out to the client to send it through DocuSign?

9 MR. HUYE: I guess, Your Honor, obviously,
10 following the rules, the ethics rules here, we have to
11 be contacted first. After we've been contacted, we
12 would then direct an advertiser to send a contract for
13 us.

14 THE COURT: You pay them for obtaining the
15 contract?

16 MR. HUYE: It's a consulting service, is how it
17 works.

18 THE COURT: So you're paying per contract?

19 MR. HUYE: No, sir. Absolutely not, Your Honor.

20 THE COURT: Okay.

21 MR. HUYE: Would you like me to repeat --

22 THE COURT: No, I got it. So you have a general
23 contract with these advertisers to manage these services
24 for you so you're not paying them per contract?

25 MR. HUYE: Absolutely. It's unethical.

1 THE COURT: You're right. It's unethical. That's
2 why I'm asking you.

3 MR. HUYE: I would never do that, Your Honor.

4 THE COURT: Okay. I'm going to take you at your
5 word, but know that it is unethical to pay per contract
6 in Louisiana. I don't know what the rules are in Texas,
7 but I know here you can't do that.

8 MR. HUYE: Yes, Your Honor.

9 THE COURT: I think you're kind of pushing the
10 envelope the way you do it.

11 Okay. Are you satisfied? I wanted you to get an
12 answer since you'd reached out to my office. I know
13 you're not satisfied because you don't have a claim,
14 unfortunately.

15 MS. CROCKETT: Yeah, I don't understand any of
16 this, because all I want to do is have my repairs fixed.

17 THE COURT: Unfortunately --

18 MS. CROCKETT: Still not fixed.

19 THE COURT: -- yeah, because you have a
20 force-placed policy, you can't bring a suit for that
21 insurer because technically you're not the insured, only
22 the --

23 MS. CROCKETT: Right. That's why I'm surprised I'm
24 even here.

25 THE COURT: Well, because you'd reached out to my

1 office, I wanted to find out --

2 MS. CROCKETT: I was told you were my lawyers. I
3 said, well, how come something's not done. Let's get on
4 back in and do it because I got mold, et cetera. I was
5 very much scammed by the roofing company. They gave me
6 a proposal which I agreed to which was \$9,000 to do my
7 roof. That's pretty good, and they did my roof a good
8 job. But they gave reverse mortgage, Finance of
9 America, a \$19,000 proposal which they signed.

10 So then I called and I said, "Okay. When are we
11 going to do the rest of the repairs?" I have a lot of
12 cracked windows still, mold, et cetera. I could go on
13 and on.

14 "Well, you spent all your money, Ms. Crockett, on
15 your roof."

16 "\$9,000?"

17 "No, 19,000."

18 And they didn't seem to even care. That's what
19 really got me. I couldn't understand.

20 THE COURT: Yes, ma'am.

21 MS. CROCKETT: They were scammed and didn't seem to
22 care about it. I was the loser.

23 THE COURT: Well, I'm sorry that that happened.
24 Unfortunately, there's not much we can do.

25 MS. CROCKETT: No, I understand.

1 THE COURT: And I really do feel for you and people
2 in your predicament. I do question sometimes -- I've
3 had several of these cases with the force-placed and
4 they won't bring a claim. I'm going, "I don't
5 understand it. It's your collateral. Why wouldn't you
6 want it fixed?"

7 MS. CROCKETT: It's their home. When I die --

8 THE COURT: Yeah, you'd think they'd want to --

9 MS. CROCKETT: -- they get their home back.

10 THE COURT: -- or assign you the rights to do it,
11 but most of them won't do it. I don't know. But thank
12 you.

13 MS. CROCKETT: Thank you, Judge.

14 THE COURT: All right. The last thing for this
15 morning that I need to talk to you guys about is I have
16 a series of cases here with you guys, I've found
17 probably ten so far, where y'all don't have contracts.
18 And again, I'm still going through them; but what I have
19 here -- I'm going to give some docket numbers okay.
20 Tina, do you need -- okay. 22-4451, Frazier versus
21 American Bankers. 22-3243, Veal versus Southern
22 Fidelity Insurance; I think they may have went under.
23 22-4415, Zeigler Stewart versus American Bankers.
24 22-4445, Ashley versus Liberty Mutual. 22:4439, Lockett
25 versus American Bankers. 22-4420, Hill versus Southern

1 Fidelity Insurance. 22-5154, Garrison versus American
2 Security Insurance. 22-3228, Hatch versus Allstate
3 Vehicle & Property Insurance. I think I did Frazier.
4 Did I do Frazier?

5 Here's the issue with these, every one of these,
6 Gordon McKernan. I don't have a contract for y'all.
7 Y'all turned over contracts for Gordon McKernan so in my
8 book you don't represent these people, Gordon McKernan
9 does.

10 MR. HUYE: Your Honor, if I may?

11 THE COURT: Yeah. That's why we're here. I want
12 an explanation. Why am I having a bunch of Gordon
13 McKernan contracts? And this is just the tip of the
14 iceberg. We're still finding them.

15 MR. HUYE: Yes, Your Honor. We entered into a
16 joint venture agreement with Gordon McKernan to help
17 people from the hurricanes here in Lake Charles and we
18 have an agreement. And within the McKernan contract, it
19 allows for him to refer out the case and so he's
20 referred out the case to us. We've been handling. We
21 have one attorney, an associate with my firm, who prior
22 to Hurricane Laura was at Gordon McKernan and so with
23 him kind of came the avenue to help some of the people
24 that they may have contacts with. And so, Your Honor,
25 that's how that would come to be.

1 THE COURT: Here's the problem. That's an ethics
2 violation from my reading of the rules. You cannot
3 share a fee with another lawyer without the client's
4 permission. They have to agree to that fee sharing. So
5 you need to take these cases and you need to get with
6 your clients and you need to tell them how you're
7 splitting the fee with Mr. McKernan and have them sign
8 off on it. And then I don't know what to tell you if
9 they say no, but you're kind of in a pickle if they say
10 no. But you have to have your client's permission to
11 share fees. I mean, I noticed in y'all's contract y'all
12 got, in some of them, two or three different firms in
13 there and y'all put it in the fine print at the bottom;
14 but I guess that's probably good enough since you at
15 least break it out by percentage. So I can't say they
16 don't know because they signed it, but I just didn't
17 understand how I had all these Gordon McKernan contracts
18 in here.

19 Look, y'all wanted to meet with me about your
20 contract, about a particular provision in it. Well,
21 what is it y'all wanted to inform me about? Y'all kept
22 calling. You remember they kept asking -- y'all wanted
23 to discuss with me the contract. What is it you wanted
24 to discuss with me?

25 MR. HUYE: Yes, Your Honor.

1 THE COURT: By the way, the contracts aren't
2 privileged. Those are not privileged.

3 MR. HUYE: Your Honor, my understanding was that
4 the contract was a private communication between --

5 THE COURT: Here's the problem with that argument.
6 Lawyers all the time file those contracts into the
7 record, when clients change firms and representation, to
8 preserve their fee; and then it was an in-camera
9 inspection on top of that. So there's no way it could
10 be privileged from the Court. Now we're here, tell me
11 what it is you want to explain to me about your
12 contract.

13 MR. HUYE: Yes, Your Honor. My main request for
14 involvement was to try to aid the Court in the best way
15 that I could. I know it was a lot of documents. It was
16 multiple boxes. We tried to lay it out in an organized
17 fashion to the best that we could. I didn't want the
18 Court to be misled in any way. I was thinking it was
19 in-camera inspection and I just wanted the opportunity
20 to participate in the in-camera inspection. When Your
21 Honor's office said that I would not be allowed to
22 participate, then we dropped off the boxes as you
23 directed.

24 THE COURT: That's the whole point of an in-camera
25 inspection, so I can in-camera look at them; and I don't

1 really need any help doing that. Secondly, they kept
2 calling me like we want a date and time. Look, I'm
3 still looking through them, as you can tell, and I'm
4 going to continue to look through them. It's not
5 something I was going to sit down at 9:00 o'clock on
6 Thursday morning and spend my whole day looking through
7 your contracts. I'm doing it when I have some time.

8 I do find it very curious -- and again, I'm not
9 even sure if this is ethical under the Louisiana ethics
10 rules, you know, and I find it very curious that y'all
11 have an arbitration clause in your contract. You know
12 how many lawyers come into this courtroom to fight
13 arbitration in these cases, because there is a series of
14 types of policies that can have an arbitration clause.
15 It's very narrow but it can happen. They fight tooth
16 and nail to get around it. Then I look at your contract
17 and it kind of makes me giggle that y'all have an
18 arbitration clause in your contract.

19 MR. HUYE: Your Honor, we're happy to clear up any
20 miscommunication for the Court. However, we are
21 confident that nothing unethical --

22 THE COURT: No, I understand. I just question
23 whether you can have an arbitration clause in a contract
24 between a lawyer and a client. I don't know why I feel
25 like I've read somewhere that you can't do that, but I

1 could be mistaken. Again, I'm just -- again, a good
2 judge told me one time don't think out loud on the
3 record and that's what I'm doing right now. I'm
4 thinking out loud on the record and I shouldn't.

5 I don't have any questions. We're going to break
6 for lunch. We're going to come back because we're going
7 to deal with those other cases after lunch. Those have
8 been -- I think, so you're prepared, those are cases
9 that a firm has reached out to me, a particular insurer,
10 that they did not write policies. They have no policies
11 for these properties. And so, again, they beat you to
12 the punch. And you got one, too, huh?

13 MR. MONSON: Ten.

14 THE COURT: You have ten?

15 MR. MONSON: Yes, sir.

16 THE COURT: Is it Allied Trust?

17 MR. MONSON: Allied Trust, Southern Vanguard,
18 Homeowners of America Insurance Company, SafePoint
19 Insurance Company.

20 MR. HUYE: Your Honor, if I may?

21 THE COURT: Yeah.

22 MR. HUYE: Other counsel, defense counsel are
23 simply reaching out to us and we're handling any of
24 those issues where we thought we had a dec. page, maybe
25 it was for some other person, and working through with

1 counsel to deal with that.

2 THE COURT: Great.

3 MR. HUYE: Yes, Your Honor.

4 THE COURT: But this is what I'm trying to tell
5 you. That's great. Keep doing it. Get in your files.
6 Call your clients. Talk to them. What I'm trying to
7 tell you is you need to find it before I find it because
8 if I find it you're going to be here.

9 MR. HUYE: Yes, Your Honor.

10 THE COURT: Because I don't do things off the
11 record, in chambers, ex parte. We're going to have
12 court, do it on the record, so everybody's aware of
13 what's going on. This is -- there's got to be
14 transparency here and I don't want to have any -- so
15 that's great. I don't want to find these things, but
16 I'm going to find them eventually. I'm going to get
17 through all your files, and I will sift through them.

18 The lawyers who practice in front of me a lot will
19 attest to you, and I don't know if Mr. Ieyoub will be
20 honest because I've known him for 27 years, but I read
21 everything. And I will read everything that you filed
22 at some point. It may take me two years to do it, but I
23 will get through it at some point. So my point is you
24 need to find it before I find it.

25 I want you to do a good job. I want you to

1 represent these people. You filed these suits. I don't
2 doubt some of them need representation, but I need you
3 to do it -- I don't buy your method of doing it. I
4 don't buy the electronics and computers. I'm going to
5 stand by my position, being a lawyer is a people
6 business. People need representation and you need to
7 meet with your clients. I believe in quality over
8 quantity. That's what I believe. Because at the end of
9 the day --

10 Mr. Juneau, you can correct me on this. As we were
11 approaching the prescriptive period, Mr. Juneau reached
12 out to a lot of the firms that have been filing a lot of
13 suits to kind of get a survey, hey, what's coming
14 because we knew we would have an influx at the end. And
15 you reached out. 200 from maybe Hoffoss firm, I don't
16 know, 180 from this one. So we kind of in our minds had
17 what was coming. Most firms here had stopped taking
18 clients about a week out from the prescriptive date
19 because they need time to call the clients, verify the
20 information, be sure they had a claim before they went
21 and filed a federal court lawsuit, get themselves in a
22 bind. So they stopped.

23 So we would have probably -- we were down -- we'd
24 gotten through about 3,000 cases at that point. We're
25 still at about 3,080 cases, something like that; is that

1 about right? Half of them are yours. So when you came
2 in here at the last minute and dumped them on us we had
3 no idea where they were coming from or how they came
4 about. So, yeah, it raised the Court's suspicion, I'm
5 not going to lie to you, and the Court's still a little
6 suspicious; but I'm not going to let it gum up the
7 works. I want to help -- you know, it would be easy --
8 the easy thing for me to do is really just come down on
9 y'all again. I vented last time, and I apologize. I
10 don't typically -- I try to remain calm and I think I
11 was calm last time, but I was frustrated.

12 So my goal now is to help y'all clean this up so
13 y'all can represent these people and do a good job for
14 them. Now, I can't help you if you've broken some
15 rules. I'm not saying you did or didn't, but it's
16 really just not the way to do it. And I think as y'all
17 try to do this or you're going to continue to represent
18 people over in the Eastern District there, if nothing
19 else came of all this, it put it on the radar because
20 the Magistrate Judge, they've adopted a very similar
21 case management order as we did. I think they've
22 tweaked it a little bit for their purposes. I think the
23 magistrates are really more managing it than a special
24 master over there, but they called me and so I know that
25 you probably did the right thing. They said you called

1 THE COURT: Good to see you, Mr. Morgan.

2 MR. MORGAN: Good to see you.

3 THE COURT: All right. This is a series of cases.
4 Y'all can be seated. These cases were -- United
5 National Insurance reached out, informed the Court that
6 there was no insurance policies on these claims. So
7 what I instructed, through my staff, through their
8 attorney, was to seek leave to have the stay lifted for
9 the purposes of them filing an answer and to seek these
10 cases to be dismissed. So that's why we're here.

11 They also have a right, and I don't know what
12 they're seeking, Mr. Degan, but -- and then today -- I
13 think yesterday, what I understand, is y'all then came
14 in and filed a motion to dismiss yesterday.

15 MR. MOBLEY: Yes, Your Honor.

16 THE COURT: Yesterday. So this, again, goes back
17 to my suggestion to you, is that you need to find this
18 before I find it or defendants find it.

19 Mr. Degan, what is the -- I'm assuming, obviously,
20 you want me -- and I don't see any reason why I would
21 not dismiss these cases. I would lift the stay and
22 dismiss them.

23 MR. DEGAN: Yes, Your Honor. If I could just
24 provide some context --

25 THE COURT: Yes.

1 MR. DEGAN: -- for why we're here today. Someone
2 from the McClenny firm had reached out to one of my
3 lawyers, I believe Mr. Morgan, and requested that we
4 participate in a mass mediation where there would be a
5 number of cases mediated over the course of a single
6 day. We were agreeable to do this. We reached out to
7 the client. We were provided with a number of cases
8 that were filed against that particular client. And
9 actually, there were probably several clients involved
10 in this; but in particular today it's United National,
11 which is a subsidiary of Global Indemnity Insurance
12 Company. And we provided Global with the information
13 that we had that we were given on the cases and we began
14 getting odd calls back. They couldn't find the insured.
15 They couldn't find -- they had no claims file on this.
16 They had no record of anything -- of any claim coming in
17 at any point. And then there was obviously back and
18 forth with us, and this went on for some time.

19 We then were told, and this was a rolling, ongoing
20 process, that they couldn't find policies on any of
21 these people that we've set forth in this. They came
22 back to us and we were taken aback. This isn't one
23 case. This isn't one person. We have eight that we've
24 identified initially. There are others. We have now
25 identified seven others where there are no policies that

1 our client was sued, seven from -- an additional seven
2 from United National and another one from National
3 Security. We're looking. I can't tell you that this is
4 the end, but we definitely have the eight that we called
5 to the Court's attention and we've identified seven
6 others that are not on the docket today.

7 What I'd like to do for purposes of the record
8 today is have Mr. Mobley go through those cases that are
9 on the docket so that you will have a record of exactly
10 what we know and what we have done on those eight cases.

11 THE COURT: Okay.

12 MR. MOBLEY: Good afternoon, Your Honor.

13 THE COURT: I guess we need to identify these
14 cases.

15 MR. MOBLEY: Yeah. Do you want the cases that are
16 on the docket today or the cases that are --

17 THE COURT: The cases that are on the docket today
18 because that's what they have -- Mr. Huye and them have
19 been given notice of.

20 MR. MOBLEY: Yes, Your Honor. The first one's
21 Davis versus United National, 6:22-cv-04585. Next one
22 is Hunter versus United National, 3:22-cv-03447. Next
23 one is McCain -- McClain versus United National,
24 3:22-cv-04897. Next one is Melvin versus United
25 National, 6:22-cv-05 -- 04540. Next one is Rhine versus

1 United National, 6:22-cv-04601. Next one is Rollins
2 versus United National 3:22-cv-04895. Next one is
3 Thomas versus United National, 6:22-cv-03993. The last
4 one for today is Washington versus United National
5 3:22-cv-04902.

6 Your Honor, in each of these cases, and just so
7 Your Honor knows a little bit more about the background,
8 on or about the time the suits were filed McClenny
9 Moseley sends a letter of representation to United
10 National. United National researches its records, sends
11 back correspondence to McClenny Moseley who signed,
12 either via FedEx or via registered mail, that there's no
13 policy located and requesting additional information.

14 THE COURT: Was this before suit was filed?

15 MR. MOBLEY: In a lot of them it is before suit's
16 filed, Your Honor. And then we get the suits and we
17 work through it and find out there is indeed no policy.
18 We filed an answer in each of these cases denying the
19 allegations for lack of sufficient information along
20 with a statement under penalty of perjury under 28
21 U.S.C. 1746. We then start kind of working through this
22 mess of what's been created and just trying to figure it
23 all out as best we can. I've got another stack, as
24 Mr. Degan was working through, speaking about, of
25 another seven with the same exact insurer, seven or

1 eight.

2 You issued orders in each of these cases, the rule
3 to show cause pursuant to Federal Rule 11(C). That was
4 in mid November. Last night, as I'm preparing an
5 outline to come here today to talk about these cases, I
6 get the motions to dismiss under Federal Rule of Civil
7 Procedure 11(A). Because an answer's been filed, they
8 cannot --

9 THE COURT: Voluntarily dismiss them.

10 MR. MOBLEY: Especially without prejudice.

11 The other issue I have, Your Honor, is they've been
12 on notice of this hearing today and they've been on
13 notice of what I filed in the record since --

14 THE COURT: Well, I did an order on November 16th.

15 MR. MOBLEY: Yeah.

16 THE COURT: Hey, look, the last minute filings, I'm
17 just going to tell you, don't get you anywhere. They're
18 too late -- too little too late. You should have jumped
19 on this. If I'd have gotten a federal court order like
20 this, I'd have jumped on this.

21 MR. MOBLEY: That's more my point. I didn't even
22 get a phone call, Your Honor. I still haven't gotten a
23 phone call from them. We're making the record because
24 it's frustrating whenever I have a mediation tomorrow
25 back over here in Lake Charles. So I'm driving back

1 tonight, driving back tomorrow morning, and it is for a
2 case before Your Honor, and instead of working on that
3 case right now I'm here sorting out a mess that they
4 created. And I'll probably have to come back again and
5 who knows how many times I'll have to come back. But,
6 Your Honor --

7 MR. HUYE: Your Honor, if I may?

8 THE COURT: Yeah, when he's finished.

9 MR. MOBLEY: Your Honor, I guess my point is, part
10 of my point, I have several points I'd like to make, is
11 I got on their website yesterday. They have seven
12 partners, nine associates, five of counsel. Second
13 sentence in the website home page: "At McClenny Moseley
14 & Associates, PLLC our main goal is to protect the
15 rights of policyholders while maintaining the highest
16 ethical standards." That is their statement.

17 Then we get the motions to dismiss. We all know,
18 if we practice law, that we are past the prescriptive
19 period for Hurricane Laura and Delta claims. They tried
20 to dismiss the claims last night or late yesterday
21 afternoon between 4:30 and 5:30. Now, what is their
22 clients' recourse? They can't substitute in a new
23 insurer. Did they talk to their clients about
24 dismissing these claims? I don't know. But from what
25 I'm seeing in the documentation that I'm getting from

1 them, I have no assurances that, you know, they're
2 not -- they're just not informing their client, I mean,
3 of what's going on. I mean, it almost looks like they
4 picked up the phonebook and picked names to file suits
5 on behalf of.

6 MR. HUYE: Your Honor, if I can object to that
7 sentiment, I don't think that's appropriate.

8 THE COURT: That's his sentiment. You can object
9 to it. I'll let you speak in a minute.

10 MR. MOBLEY: Your Honor, I can go through Rule 11
11 but I'm sure you're familiar with it. They've violated
12 11(B)(3), 11(B)(1). They've been put on notice of rule
13 to show cause here. They tried to get around that by
14 filing a belated motion to dismiss in each of those
15 cases late yesterday.

16 THE COURT: My favorite part of the motion to
17 dismiss is that each party's to bear their own cost.

18 MR. MOBLEY: That's kind of my --

19 THE COURT: That's the part that's, I hate to say
20 it, humorous.

21 MR. MOBLEY: Yes, Your Honor. So, I mean, what I
22 would like to see happen is for us to be able to lift
23 the stay, move to consolidate these cases, and proceed
24 with sanctions and attorney's fees against the firm.
25 That way procedurally I think it will be much smoother.

1 As a consolidated matter, they can brief what they would
2 like to brief. We can -- we'll file the initial motion,
3 but then they can brief and then we can file the reply
4 and be back before Your Honor to address that discreet
5 issue. But they've implicitly conceded that they filed
6 these suits without factual investigation or the factual
7 predicate for the lawsuits which necessitated us being
8 here today because, I mean, you don't dismiss a
9 legitimate claim, even an arguably legitimate claim.

10 THE COURT: I understand, and I don't disagree with
11 your procedural approach. Let me hear from them about
12 this.

13 MR. MOBLEY: Yes, Your Honor.

14 MR. HUYE: Yes, Your Honor.

15 THE COURT: This is what I've been trying to warn
16 y'all about. I don't think this is going to be the last
17 time you're going to see this nor the last time an
18 insurer is going to come to me with this type of -- and
19 this is what I mean. Again, you did not do your due
20 diligence before you filed these suits. I'm sorry. You
21 can sit here all day long and tell me you did, y'all did
22 this, you talked to these clients. You did not or I
23 wouldn't see seven suits with no insurance. They're
24 telling me there's another seven more. But let me hear
25 from you.

1 MR. HUYE: Yes, Your Honor. So prior to filing
2 suit we went through with our clients, we confirmed as
3 quickly as we could what their insurance company was. I
4 think in this matter, it looks like the Rhine matter,
5 the first one that I had on my list for today, we sent
6 the letter of representation on August 18th, someone who
7 signed up with us relatively late. We got a letter back
8 on August 19th but it wasn't sufficient, Your Honor. If
9 something that had come back from an insurance company
10 with an affidavit like what was attached to the lawsuit,
11 I think that's something that puts me in a position to
12 go back to my client and say, "Hey, you said this was
13 your insurance company. You may guarantee" --

14 THE COURT: That's the problem, though.

15 MR. HUYE: Yes, Your Honor.

16 THE COURT: See, that's the problem I have. As a
17 lawyer, you should not just take -- look, clients do the
18 best they can and sometimes they don't even understand
19 what their policies are or anything. But that's where
20 it's incumbent upon you as their attorney to get a copy
21 of the dec. page from them or have that information.
22 This is why you don't do things at the last minute and
23 you don't dump it on the Court. That's been my problem
24 with this whole process. Maybe -- like I said in the
25 past, maybe y'all got away with this before. Maybe

1 you've gotten away with it in other federal courts or
2 other state courts. But just hear me now, you will not
3 get away with it with me, not here, not now, not ever.

4 You rise.

5 MR. MOBLEY: Yes, Your Honor. I just want to touch
6 on --

7 THE COURT: He's not finished. I want to let him
8 finish. He has a right to be heard. That's why we're
9 having this hearing.

10 MR. HUYE: Yes, Your Honor. So what we got back
11 from -- on the top of the page it says American Reliable
12 and it basically says, "Unfortunately, based on the
13 limited information, we can't identify the parties.
14 Please provide us some more information." So we sent
15 them a letter of representation requesting
16 documentation. If they'd made an affirmative statement
17 there is no policy, I think we would have gone in a
18 different direction. But, Your Honor, we were kind of
19 backed up against a deadline. We want to help people.
20 We want to make sure that we're filing lawsuits that
21 need to be filed so the prescription deadline isn't
22 being met.

23 Your Honor, the additional point I'd like to make
24 is we have multiple other opposing counsels who are
25 reaching out to us. They're providing us copies of the

1 affidavits that were attached to the answer. Your
2 Honor, I would ask why that wasn't sent to us so that we
3 could review it with our clients. Your Honor, I mean,
4 obviously, this is not my claim. I represent an
5 insured. It is their claim. I can't dismiss this
6 without getting with them and going through --

7 THE COURT: I probably would have never filed it to
8 begin with without proof that they had coverage. I
9 wouldn't file a federal court pleading without doing
10 some due diligence and verifying the information to the
11 best of my knowledge. I know what your excuse is,
12 "Well, we were up against the wall. We didn't have the
13 information. So we had to file suit." I'm sorry, I
14 don't buy that. To me that's just being sloppy and not
15 being -- you've got to get ahead of this. This is just
16 not how you practice law. I'm sorry. I don't buy it.

17 MR. HUYE: Yes, Your Honor.

18 THE COURT: And go back. That's what's wrong with
19 your business model. You think this is a good way to do
20 business and practice law. It's not. Let's get as many
21 cases as we can, let's get them filed, and then we'll
22 deal with it. I'm going to be honest, this is exactly
23 what I'm not going to let you do, and I'm letting every
24 insurer know, you are not to mass settle these cases
25 with them. I see the State Farm attorneys here. I

1 don't know who McGlinchey back there, who y'all
2 represent. You're not to mass settle cases in my court
3 on hurricane claims. These cases are going to be
4 mediated one at a time, individually. Every person has
5 a right to have his case individually done, heard,
6 mediated, and resolved, if it's legit. I agree there's
7 probably some out there that aren't legit. Hurricane
8 related damages, there is no way I can see it in my mind
9 how you can mass settle these cases. I think it's a
10 disservice to the community, to the public, and to your
11 clients to try to do that. You may disagree. I can see
12 your face. Disagree all you want, but you're not doing
13 it in my court. You can go try to do it in Florida, God
14 bless them, but you're not doing it here. You're going
15 to be stuck with me probably for the next three or four
16 years doing these cases because you are not going to do
17 them en masse. Every one of these people have a right
18 to have their lawyer go to that mediation, sit down with
19 them, go over their claim with their insurer on the
20 other side of that table, and negotiate a fair and
21 reasonable settlement; and that's what's going to happen
22 with every one of them. So any of your other colleagues
23 out there representing insurers, please let them know
24 the Court's position because I -- I'm going to let you
25 do it one time and I think you'll understand why you'll

1 probably never do it again. I'm going to let you do the
2 Bankers ones because that guy asked me. You're going to
3 do it with the Magistrate Judge. That's the only way
4 that I would let you do it, is if you go to the U.S.
5 Magistrate Judge and do them with her. And I still
6 don't see how you're going to do ten in one day because
7 you're not going to come in there and do one lump sum
8 number.

9 MR. HUYE: No, Your Honor.

10 THE COURT: And we'll see how Magistrate Judge Kay
11 handles that, how she's going to spread her time out
12 over these. I think it's ten. Is it ten?

13 MR. HUYE: Yes, Your Honor. We'll be very
14 prepared.

15 THE COURT: By the way, those are going to be --
16 let me address that while -- well, I'll do that in a
17 minute.

18 Mr. Degan, Mr. Mobley, so you're going to come back
19 with a motion for sanctions?

20 MR. DEGAN: Yes, Your Honor, we will file the
21 motion.

22 THE COURT: Okay. I would go ahead and take the
23 other cases and get those going, too.

24 MR. DEGAN: We will go ahead and track the other
25 cases as we have with the initial eight, and there may

1 be some other clients as well. We're communicating now.

2 THE COURT: Listen, I'm going to tell you, it's
3 going to be a race to the courthouse. If he finds them
4 first and gets them dismissed before you file an answer,
5 he can do it. Once you file an answer, though, once an
6 answer's filed, there's no more voluntary dismissal
7 under the rules.

8 MR. DEGAN: Yes, Your Honor.

9 THE COURT: That's why I've been trying to tell him
10 he needs to stop whatever he's doing and get in there
11 and get in these files and start figuring out what's
12 going on, because they obviously didn't have time to do
13 it before they filed them and that was a mistake.

14 MR. DEGAN: Your Honor, we agree, of course, with
15 everything that you have said this morning. And on
16 behalf of United National, we appreciate the Court
17 looking at this. But please keep in mind handling these
18 hurricane cases can be difficult for insurers. You have
19 a lot of claims, you have a limited staff, and you're
20 doing the best you can to go through them. When cases
21 like this have been filed, when there's no verification
22 of insurance coverage, and it forces the limited
23 resources of these companies to be diverted, it hurts
24 everybody, it hurts the process. And that's in part why
25 we're here today and why my client is so upset with what

1 they've had to go through. But we thank Your Honor
2 for --

3 THE COURT: I don't disagree with anything you're
4 saying, Mr. Degan. Yes, Mr. Huye?

5 MR. HUYE: Your Honor, I think if their good faith
6 goal is to try to get these revolved and not to spend
7 any more limited resources, I would invite defense
8 counsel to send these affidavits to my office so that we
9 can quickly get with our client and we could immediately
10 file the dismissal. We would ask --

11 THE COURT: On these, you're too late.

12 MR. HUYE: Yes, Your Honor. On the seven
13 additional ones that they referenced previously, if they
14 would simply give us that information, we'd be happy to
15 move very quickly, get with our client, and allow them
16 to reserve the limited resources that they need.

17 MR. MORGAN: Your Honor, if I may?

18 THE COURT: Yes.

19 MR. MORGAN: Matthew Morgan. The other cases, the
20 other seven, we've already filed answers on them.

21 MR. MOBLEY: Same affidavits, Your Honor.

22 THE COURT: The problem is they shouldn't have to
23 do this. You should have done it with your client.
24 That's the problem they have and I have. You want to --
25 it's like you come in here and just throw it up against

1 the wall and let's see what sticks. If it sticks,
2 great. If it doesn't, no loss off us. But the problem
3 is you ran into me and I don't operate that way. I know
4 some insurers would love, oh, yeah, let's just settle a
5 bunch of them with you and get rid of them, you know,
6 let's just pay 50¢ on the dollar, get rid of 30 cases
7 all of a sudden. I'm not going to let you do that. I'm
8 not going to let them do it. I didn't set this up to be
9 done that way.

10 MR. HUYE: We've never settled a case for 30¢ on
11 the dollar, Your Honor.

12 THE COURT: Whatever. Maybe not, maybe so. I
13 don't know. That's not really my point. My point is
14 this is not how it's going to go down. I'm very
15 involved in these cases. They know. I've had a couple
16 of trials with these cats. I'm on top of this stuff and
17 I'm very protective of this process and how we do it,
18 and I am not going to allow any firm or any group to
19 come in here and muck it up. The way it is. So what
20 I'm trying to tell you and the lesson for today is you
21 need to get in these files and you need to do what you
22 should have done before you ever filed these. Look, I'm
23 going to tell you again, you shouldn't take these cases
24 if you can't handle them and can't do the due diligence
25 before you file a lawsuit. You should not take the

1 case, say, "Hey, look, I got too many cases. I can't
2 take any more."

3 I told some defense firm that when y'all had a
4 bunch of -- not yours, Mr. Degan. It was another firm
5 had four cases or something all set for trial the same
6 day. You know what I told them, I said, "Well, then,
7 you need to get more help or tell your client no, I
8 can't take any more claims for you." That's what I'm
9 telling you. That's not an excuse for the Court.

10 It's like I tell them, I got to read their briefs,
11 I got to read your briefs, I got to read 7,000 cases
12 I've got in front of me. I don't just have yours. I've
13 got everybody's. So my schedule doesn't allow me the
14 luxury of trying to do this for you. But I'm not going
15 to let you come in here and do this. That's why I'm
16 asking you again to go back and start going through
17 these files. There are still duplicates out there.
18 There are still cases that have been settled that you
19 filed suits on. There are claims that there are no
20 policies on. That's your responsibility. That's not
21 their responsibility. Their responsibility is to file
22 an answer to an allegation. They don't know until you
23 sue them, but they shouldn't have even been sued in
24 these cases. That was your job to know that before we
25 were ever here. You should have known that these cases,

1 these people didn't have policies with United National.
2 That's just the way it works.

3 So all I can tell you is file your motions. We
4 will set them for hearing. I will award them their
5 attorney's fees for having to go through these files and
6 answer these lawsuits and get them dismissed on
7 something you should have already done. It is a
8 sanctionable offense, not necessarily under Rule 11, but
9 under the Court's inherent authority to award your
10 attorney's fees. I would ask that you submit your
11 expenses and what you're seeking with your motion at
12 that time.

13 MR. MOBLEY: We will, Your Honor.

14 THE COURT: Now let's talk -- thank you. Let's
15 move to the mediation. Just so we're very clear about
16 what I'm going to let you do on this mediation, the
17 cases that I'm going to let you mediate before
18 Magistrate Judge Kay -- I think that's already been done
19 in an order, has it not? Okay. We're going to do an
20 order. These cases will be all mediated -- you need me
21 to read the docket number off for these, Tina?

22 MS. BENOIT: If you want something in the minutes.

23 THE COURT: Yeah. Let me read it. It's going to
24 be -- I tell you what, I'm going to just hand you my
25 sheet and you can put these in the record. I'll say it

1 for right now for the record. This is Berry versus
2 American Bankers, they're all Bankers, Lucas versus
3 American Bankers, Espree versus American Security, Gibbs
4 versus American Bankers, I guess that's Serrette versus
5 American Bankers, Cadena versus American Security, and
6 Binning-Beck versus American Security, Betters versus
7 American Security, and Shawntel Guillory versus American
8 Security, and Shelton. I'll give you these docket
9 numbers. You're going to mediate these. The order will
10 go out, but you're going to mediate these before
11 Magistrate Judge Kay on January 27th, 2023. And your
12 clients are to be present for these mediations. I mean,
13 unless one of them's in the hospital or something, they
14 need to be there to mediate these.

15 There was something else. I know I'm forgetting
16 something. I want to understand something, though. You
17 brought it up. This has nothing to do -- I don't
18 understand this mass settlement. How does this work?

19 MR. HUYE: Your Honor, I would love to address
20 that.

21 THE COURT: Yeah, please tell me how this works.

22 MR. HUYE: So misconstrued from the e-mail from how
23 we work our processes, Your Honor.

24 THE COURT: Yeah, I'd like to hear it. Go ahead
25 and tell me. I want to hear how this works.

1 MR. HUYE: Your Honor, it's one day of mediation
2 where two sides who both share a large number of cases
3 are focussed in for the day, right. You prepare for the
4 day. So, Your Honor, the way that it works, it's just a
5 mediation day. So you'll have one mediator. You'll a
6 list of cases, whether it be 10, whether it be 20,
7 whatever the parties agree to.

8 THE COURT: What's the most you've ever done?

9 MR. HUYE: I believe, Your Honor, we've done 40 in
10 a day with an insurance adjusting firm flying in from
11 Massachusetts, I believe, to the office. We had worked
12 with them probably ten rounds previously. And, Your
13 Honor, it was the exact same setup; we were just more
14 efficient.

15 So the setup is this, Your Honor. Four weeks
16 before the scheduled mediation the claim files have to
17 be provided to us. So we go through the claim files.
18 We have two weeks to go through the claim files. In
19 those two weeks we put together a position paper.
20 Basically, we're going through exactly as Your Honor
21 would do at trial and saying what's the amount of the
22 estimate limited by the policy limit minus the prior
23 payments. We figure out what was paid within 30 days,
24 right. When was the date of the initial inspection, we
25 argue that satisfactory proof of loss. And we go

1 through, Your Honor, and we make basically a spreadsheet
2 per client of the exact facts that we would use for a
3 proposed finding of fact and conclusion of law, right,
4 and we put that together. We then share our internal
5 notes with opposing counsel, the insurance company,
6 whoever it may be, right, and we share that with them
7 two weeks before. So they have two weeks to go through
8 all of this documentation. We then go through, and we
9 go through with our clients before and after, and we
10 say, "What's the amount of money you need to get your
11 house fixed?" Right. "Obviously we're going to try to
12 get you as much as possible based on the evidence that
13 we have, but what's the net to you as a client? What do
14 you still need to fix your house to feel like you at
15 least broke even?" Right. So we get that number and we
16 have advanced settlement authority per client.

17 So then we show up to the mediation --

18 THE COURT: When you say advanced settlement
19 authority, how do you get this advanced settlement
20 authority?

21 MR. HUYE: We get on the phone with our clients,
22 Your Honor, and we go over their case with them. We
23 say, "We finally got the insurance company's claim file.
24 Even though we requested it in the letter of
25 representation and even though we would argue under

1 Louisiana Policyholders Bill of Rights we're entitled to
2 that claim file, almost no insurance companies will give
3 it to us. So now that we've finally got it, we've been
4 able to go nuts and bolts through the claim, what it
5 would look like if we tried your claim tomorrow. This
6 is what we believe our best case scenario argument is.
7 Using 18" -- I'm sorry, Your Honor.

8 THE COURT: No, go ahead.

9 MR. HUYE: "Using 1892, using 1973, the whole way
10 through, this is the best case scenario." And we have
11 that conversation with our clients. They can choose to
12 grant us some amount of settlement authority.

13 THE COURT: You get that in writing from them? Are
14 you just getting it from them over the phone?

15 MR. HUYE: We typically -- our standard operating
16 procedure is we get it from them over the phone and we
17 leave an internal note within our file
18 contemporaneously.

19 THE COURT: You're playing with fire, I'm just
20 going to tell you.

21 MR. HUYE: Your Honor --

22 THE COURT: You're playing with fire there. I
23 would never do that practicing law. I confirmed
24 everything with a letter to my client, hey, confirming
25 our conversation such and such day, you gave me the

1 authority to do X, Y, Z. I would never rely on my note.

2 MR. HUYE: I think that's good feedback, Your
3 Honor. I think that would be very easy for us to
4 incorporate as an additional part of the process.

5 But we have settlement authority. We then come on
6 the day of the mediation and -- the way that I like to
7 handle these mediations most efficiently is I ask the
8 insurance company, "All right. Look, what do you
9 disagree with in my estimate?" Right. "Is it the
10 pricing for the shingles?"

11 THE COURT: You must not have had any of these with
12 Mr. Degan yet, then.

13 MR. HUYE: I have not. I would love to have some
14 of these mediations with Mr. Degan.

15 THE COURT: Mr. Degan, you know I'm just picking at
16 you. Me and Mr. Degan went round and round on a few
17 cases early on. Court didn't really see eye to eye with
18 Mr. Degan on some cases. It's all in good spirit. He's
19 a very good lawyer. I'm just messing with him. I'm
20 sorry. I didn't mean to make a joke at your expense. I
21 couldn't help it. Mr. Huye set me up for that one.

22 I'm sorry. Go ahead.

23 MR. HUYE: Yes, Your Honor. So then my favorite
24 way to handle these mediations is with opposing counsel
25 and just asking them, "What do you disagree with about

1 the estimate? You had the obligation to fully and
2 completely adjust the loss, right. We didn't have an
3 obligation to send out an expert who writes in
4 Xactimate. That was your job. Let's evaluate whether
5 or not you, as the insurance company, missed the mark,
6 right. And so we tried to do your job for you. We
7 tried to write in the insurance company's estimating
8 software. We believe it's a science, not an art.
9 There's a right way to use the software. Can you please
10 tell us if we didn't use the software correctly."

11 We then will go through, we'll hear those
12 arguments. If they say there wasn't a shingle missing
13 on the whole roof, we say, "Okay. Thank you for that
14 feedback. Let us quickly roll through the photo report
15 and look at Photo 47, look at Photo 69, right. You're
16 clearly incorrect." Now we go back to the number. And
17 we go very quickly through the issues like that, Your
18 Honor, boom, boom, boom, boom. Either we agree, "No, we
19 should not have included this item, for example, roof
20 decking, in our estimate," or "No, we disagree, and here
21 is the proof to show that you're incorrect."

22 So we go through it like that, Your Honor. If
23 there is a point in our estimate where we are incorrect,
24 we will make a deduction from that trial position, that
25 spreadsheet I was talking about, and it auto updates the

1 formula. We do great notes in the side of it. And then
2 we'll say, "All right. Based on that information, thank
3 you very much. We appreciate this good faith
4 discussion. Now our revised settlement offer is this."
5 Your Honor, that's really the format of how we go
6 through these. And it's just boom, boom, boom, boom.
7 Your Honor, I really wish there was an opportunity on a
8 set of cases where you weren't involved in for you to
9 watch over one of these. And I think you would be
10 impressed, Your Honor. I think you would think it's a
11 good process both for --

12 THE COURT: I guess -- I tell you what, here's the
13 closest you're ever going to get to that.

14 MR. HUYE: Yes, Your Honor.

15 THE COURT: You're going to get to do it with
16 Magistrate Judge Kay.

17 MR. HUYE: Yes, Your Honor.

18 THE COURT: And I'll let the Magistrate tell me
19 what she thinks. I don't mediate cases.

20 MR. HUYE: Yes, Your Honor.

21 THE COURT: You know, it's not fair for me to
22 mediate cases. I actually had somebody try that.
23 Remember that? I actually had somebody try to get me to
24 mediate a case. And it's really not fair, to me,
25 because I'm the one ultimately making all the decisions

1 so whatever I say at the mediation kind of goes. So
2 it's really not a fair process. So I don't mediate
3 cases. I don't think it would be fair. Plus, it also
4 puts the Court in a bad position in the event the case
5 goes to trial. You know, I shouldn't be privy to that
6 kind of information, necessarily, as I'm trying to rule
7 on motions. So I appreciate the offer, but it's not
8 really appropriate for me to do that; but the Magistrate
9 can do it.

10 You had a comment on this?

11 MR. MOBLEY: Yes, Your Honor. I think the approach
12 was very well articulated somewhat about the mass
13 mediation, but Mr. Morgan sent me a video last night
14 where Mr. Moseley discusses the mass mediation; and if
15 Your Honor hasn't had the opportunity to view that, I
16 would suggest --

17 THE COURT: I've only seen one video of Mr. Moseley
18 and I didn't really like it very much.

19 MR. MOBLEY: Well, this one you're going to -- is
20 not good. 500 mediations, 500 cases a day, is what he
21 said --

22 THE COURT: How do you do that? How do you do 500
23 in a day?

24 MR. HUYE: Your Honor, I've never been part of a
25 500 --

1 THE COURT: Well, did you say it in a video? He's
2 an officer of the court. Answer very carefully here
3 because, you know, I'm going to take counsel at their
4 word when they tell me things. Y'all are officers of
5 the court so don't lie to the Court because it will be
6 bad.

7 MR. HUYE: Your Honor, my response to that would be
8 that Mr. Moseley is not licensed in Louisiana. He has
9 no part of any mediation that I've ever done in
10 Louisiana, and it's the same moving forward. So I'm not
11 sure what may have happened in other jurisdictions. I'm
12 licensed here in Louisiana. I know the rules here, and
13 I'm confident that the process we're going through --

14 THE COURT: So you're saying he said this
15 without -- he hadn't done this in Louisiana.

16 MR. HUYE: This has not happened with McClenny
17 Moseley & Associates in Louisiana. Whether I was here
18 or not here, I'm certain that that has never happened
19 here.

20 MR. MOBLEY: Your Honor, video specifically
21 references the transcript from the prior sanctions
22 hearing with McClenny Moseley.

23 THE COURT: Really?

24 MR. MOBLEY: For him to say that it's not related
25 to Louisiana is hard for me to understand whenever

1 they're talking about your prior ruling. That's the
2 substance of the interview that McClenny Moseley --

3 THE COURT: Oh, it was an interview. I don't
4 really do social media or the internet. I'm an old
5 school lawyer. I'm like Mr. Degan. I still use paper.
6 I've still got a legal pad up here. They turn this
7 thing on, but I don't even use it half the time.

8 You know what I think about this, it never fails.
9 It never fails. I've never -- you know, I practiced law
10 27 years and I mediated thousands of cases. I went
11 through Hurricane Rita here, hundreds of those claims as
12 I represented people. You're like the leprechaun at the
13 end of the rainbow. You're the luckiest son of a gun
14 around because I never have been able to mediate that
15 kind of number of cases in a day and get them settled.
16 Mediations, to me, have always been somewhat of a -- the
17 most I think I could have done in a day on a hurricane
18 situation is maybe three, possibly four; but I don't
19 think I even did that many. I think two was probably
20 the max.

21 Because you've got to understand something, and the
22 reason I don't like your process is, this is people's
23 homes. There's a lot of emotion attached to this. I
24 can tell you people in this community, and I'm one of
25 them, we all have a little PTSD from all this. And to

1 blow through them like that and not give each client --
2 I'm sorry. You may think it's a great system. I don't.
3 I don't think that's the proper way to do it. I think
4 you need to take a little more time with these cases and
5 really talk to these people.

6 You know, look, if you can get the insurance
7 company, I guess if they're agreeable to do it, and the
8 lawyers are agreeable to do it -- and I'm going to tell
9 you, they're looking at it probably from a business
10 decision, let's get rid of a bunch of cases. But, to
11 me, you're not maximizing the client's recovery.
12 There's no way you're maximizing the client's recovery
13 by doing 30 in a day. You can't do it because the
14 insurance company is coming in there going let's get rid
15 of 30 today. They're not paying you top dollar. If you
16 believe that, then I'm going to quote my hero, George
17 Strait, I got some land in Arizona that I'll sell you,
18 by the ocean, ocean front property in Arizona. There
19 you go. And there isn't none there. So I don't buy it.

20 MR. HUYE: I look forward to the feedback from the
21 Magistrate Judge, Your Honor. And I'm hopeful that
22 we'll get some insight on what the process looks like.

23 THE COURT: I'll definitely be following up with
24 the Magistrate on it --

25 MR. HUYE: Yes, Your Honor.

1 THE COURT: -- after she has the mediations and ask
2 her what she thinks.

3 MR. HUYE: Yes, Your Honor.

4 THE COURT: And if she says, hey, you know what,
5 they're onto something, I might change my mind and let
6 you do some more of them. Or I'll ask her, Hey, do you
7 think you can do some more of them like this?" And if
8 she says, "Yeah, I can do some more. I can do 10 or 12
9 in a day, or whatever." Then I'll say okay. But that's
10 where you're going to do them. You're not going to use
11 your mediator. You're going to use my court-appointed
12 mediators and you're going to use the Magistrate Judge
13 because I'm going to keep an eye on this process. So
14 there will be no more outside mediations of claims
15 pending in the Western District. They're going to be
16 within our case management order or with the Magistrate
17 Judge. That's how we're going to do it from here on
18 out.

19 Mr. Degan, anything else?

20 MR. DEGAN: No, Your Honor. Again, we thank you.
21 But just as a follow to what counsel was saying with the
22 mass mediations and having gone through a number of
23 mediations, hurricane and otherwise, what you lose with
24 that is communication with the client. When you have a
25 client sitting next to you during mediation they're

1 involved in the process, they're listening to what the
2 mediator says, listening to what opposing counsel has to
3 say perhaps during the opening, and they're getting the
4 feedback from the lawyer responding to what the mediator
5 and opposing counsel said. When you do 10, 20, 30
6 mediations a day like that and your client's not there
7 you can't been communicating with them.

8 THE COURT: I agree with you. I'll tell you the
9 other problem I have with it. When I hear that 30
10 hurricane cases are settled in a day like that you know
11 what I think of, I think of collusion, because to me
12 it's collusion. The insurance company is looking at it
13 like, hey, we can get rid of a bunch of cases. They've
14 talked to y'all. Let's get rid of a bunch of cases, and
15 you're going to settle a bunch. And to me it's
16 collusion. And who is the victim of that, the client.
17 And if I find that there's collusion -- well, there's
18 not going to be any in my court because I'm putting an
19 end to all this mass settlement stuff. It ain't going
20 to happen anymore. Like I said, y'all can go do that in
21 another court, another district. I don't control that.
22 But here you're not going to do it, not going to happen.
23 But I appreciate your words.

24 Mr. Huye, thank you. I want you to go forth and I
25 want you to clean this up. And as I said, you need to

1 find these problems before I find them because I'm going
2 to continue to look. They're going to look. Other
3 insurers are obviously going to be looking. You need to
4 clean this up. I shouldn't have to do it. You should
5 have done this before you ever filed the suit. I've
6 said that. I'm repeating myself, but I can't emphasize
7 that enough. I hope in the future you'll take that to
8 heart. And if nothing else comes of this, I hope the
9 Eastern District has gotten wind of you guys and are on
10 the lookout. At least you called them, and hopefully
11 their dealings with you will be a little smoother than
12 mine.

13 With that, anything else? Yes, sir?

14 MR. REYNAUD: I would like to make a comment and
15 request of the Court, if you don't mind.

16 THE COURT: Sure.

17 MR. REYNAUD: Apologize for having sat here all day
18 and not said much.

19 THE COURT: Yeah, go ahead.

20 MR. REYNAUD: Very briefly, the Court's order,
21 obviously the one that's at issue, the stay order, has
22 some language that we would like some clarification.

23 THE COURT: Yeah. Sure. I'll be glad to clarify.
24 You know, I know exactly what it means. You know why I
25 know what it means?

1 MR. REYNAUD: Because you wrote it.

2 THE COURT: Because I wrote it.

3 MR. REYNAUD: Well, it's the part in the last
4 paragraph that says it prohibits our firm -- it says the
5 law firm shall not mass -- excuse me, lawsuits filed by
6 our firm shall not be mass mediated, litigated, or
7 settled.

8 THE COURT: That's correct.

9 MR. REYNAUD: My question or request for
10 clarification relates to the word settled. There were a
11 number of cases where we have pursued settlement
12 discussions prior to filing suit. We were still in the
13 process of doing that at the time of the filing.
14 Counsel for the insurance company is onboard. The
15 policyholder is onboard. All parties are onboard. The
16 policyholder wants a settlement. We were in the process
17 of almost settling these amongst counsel, not mass
18 mediation, individually settling on the merits of each
19 particular case. So --

20 THE COURT: If you're saying individual case,
21 that's not a mass settlement. That's one case at a
22 time.

23 MR. REYNAUD: That's why I need clarification.

24 THE COURT: When you go mass settlement and you
25 call and you say we're going to sit down and settle 30

1 tomorrow with Mr. Degan's firm, that's a mass
2 settlement.

3 MR. REYNAUD: That is a mass settlement. I would
4 agree with that if they were all being settled for a
5 mass global sum, but they're not. That's a different
6 issue. This issue has to do with the settlement of each
7 claim on its own merits between counsel outside of the
8 court, and my question --

9 THE COURT: Not outside the court anymore. That's
10 where I think you're confused. Let me clarify for you.

11 MR. REYNAUD: Okay.

12 THE COURT: You're confused. That's a good
13 question. You have filed these suits now in the Western
14 District of Louisiana in federal court. So guess what,
15 they're my suits now.

16 MR. REYNAUD: Yes, Your Honor.

17 THE COURT: They're under my auspice and my
18 jurisdiction.

19 MR. REYNAUD: Okay.

20 THE COURT: And so they're no longer outside the
21 court. You can't go settle outside of the court because
22 you filed suit. They're in court. So you're not
23 allowed to go and do any settlements -- mass settlements
24 outside of -- because you can't. They're -- you're
25 stuck here now.

1 MR. REYNAUD: What about non-mass settlements?
2 What about a case on its own merits wants to be settled
3 tomorrow between counsel, but right now this language of
4 your order is --

5 THE COURT: What I would suggest you do, then, is
6 this. If you have that case postured in that manner,
7 that one case --

8 MR. REYNAUD: There's many of that one case.

9 THE COURT: Then that's a mass settlement.

10 MR. REYNAUD: No, no. There's many different
11 cases. I'm dealing with eight different ones in that
12 exact same circumstance.

13 THE COURT: So then this is what you need to do.
14 In each individual case you need to file a motion with
15 the Court to lift the stay to go mediate that case. But
16 again, I'm going to tell you this, you're going to
17 mediate it through the case management order. You are
18 not going to go outside my case management order. I
19 don't trust you guys. That's the bottom line. I don't
20 trust you. I don't believe your clients are being
21 informed the way they should. I don't believe you've
22 done your due diligence. So, no. I guess the answer to
23 your question is you're not allowed to go do anything in
24 these cases until I lift the stay on them.

25 Now, if you want to come to me and go hey -- I

1 would do it jointly. I would say if you and Mr. Monson
2 say this case here, Jane Doe versus Allied Trust, and
3 you and Mr. Monson have agreed that y'all have come to
4 terms on that, I think y'all could file a joint motion
5 for me to lift the stay and I'd let you go settle it.

6 MR. REYNAUD: Okay.

7 THE COURT: If not, then as I go through these
8 cases and we clean them up, then I'm going to release it
9 to Mr. Juneau and Mr. -- you're going to go through my
10 case management order and you're going to use my
11 mediators. And I do exactly what you do. You say you
12 get these claims files in two weeks. Then you'll love
13 my case management order. I have it in there
14 specifically that both -- they're going to turn over
15 their claims file to you. It's in my case management
16 order under the disclosure section. I think if y'all
17 would take a few minutes and read it --

18 MR. REYNAUD: Our mediation process is actually
19 modelled off the case management orders in Texas.

20 THE COURT: I'll take that as a compliment. But
21 I'm leery of what you're asking me --

22 MR. REYNAUD: I'm sorry to belabor --

23 THE COURT: -- because you're blurring the lines a
24 little bit in my view. You're saying, well, it's an
25 individual case but I got a bunch of them. Well, that's

1 an oxymoron to me.

2 MR. REYNAUD: Your Honor, I have more than one
3 case.

4 THE COURT: How many you got?

5 MR. REYNAUD: I have several on my desk right now,
6 ten that could be settled tomorrow between counsel,
7 different counsel, different insurance companies,
8 different policyholders, all of whom I've spoken to who
9 are really wanting their case to settle and right now
10 the court order says cannot be settled.

11 THE COURT: That's correct. You can't do anything
12 in them. They can't even answer the lawsuit. I've
13 stayed every case.

14 MR. REYNAUD: So my motion to the Court now, and
15 I'm obviously denied, I just would like to make it
16 orally if I may, is to lift that portion of the stay --

17 THE COURT: No.

18 MR. REYNAUD: -- that prevents out of court
19 settlements.

20 THE COURT: No, because no such thing now as an
21 out -- there's no such thing as an out of court
22 settlement now because you filed the lawsuit. You're in
23 court now and so you're not going to go outside the
24 parameters of the court to settle a case now. You're
25 done. You're going to have to come to me. The only

1 thing you can do is file a joint motion with defense
2 counsel that we want to lift the stay to -- we are -- we
3 want to settle this case. You're not going to do it in
4 globo with an oral motion. You're going to have to come
5 to me, from both sides, that y'all have reached a
6 resolution and then I might lift the stay and let you
7 settle the case and dismiss it.

8 MR. REYNAUD: Okay.

9 THE COURT: So what I'm saying is if you've got a
10 file and you and Mr. Monson, using him as an example --

11 MR. REYNAUD: I doubt Mr. Monson's going to want to
12 settle any of these matters.

13 MR. MONSON: Give you some other examples.

14 MR. REYNAUD: Mr. Degan perhaps.

15 THE COURT: Mr. Degan. You and Mr. Degan have
16 reached an agreement on a file on your desk and y'all
17 want to settle it. You and Mr. Degan need to file a
18 joint motion to lift the stay because we've reached a
19 settlement and we move to let us settle it and dismiss
20 the case. Because if you settled it, then you can come
21 to me and ask me to let you dismiss it. But again,
22 that's going to be on an individual case basis. It's
23 not going to be -- I don't like what I'm hearing because
24 I really think you're trying to circumvent my order, is
25 what I hear.

1 MR. REYNAUD: Your Honor, honestly, what I'm
2 trying -- and I really am not trying to circumvent your
3 order. What I'm trying to do is to settle the cases
4 that I feel are outside of the purview of the order
5 because --

6 THE COURT: There's nothing outside the purview of
7 my order. That's what I keep trying to tell you.
8 Nothing is outside the purview --

9 MR. REYNAUD: The order in my opinion, and you tell
10 me if I'm wrong, was designed to prevent these mass
11 settlements.

12 THE COURT: My order -- no. No. This order was
13 designed for a couple of things. First of all, to put
14 a -- hit the pause button because your mass filing of
15 these lawsuits in such a reckless manner, and I mean it,
16 reckless, had the potential of stalling all of the cases
17 because I had insurers calling me out of the woodwork
18 because all the deadlines are -- y'all filed 600
19 lawsuits against State Farm. Well, they can't answer
20 600 lawsuits on the same day. So guess what that -- but
21 they not only have your 600, they got another 2,000 out
22 there that they're trying to answer around the state,
23 but probably another 3 or 400 here. So they're asking
24 me, "Hey, we got to have some time." So basically you
25 shut down my case management order. You shut down all

1 the legitimate claims that have been floating through my
2 process for a year. So I had to stay your cases to let
3 the ones that have been doing it the right way continue
4 through the process. That's why I stayed your cases.

5 The other reason I stayed your cases, you dumped a
6 mess on this Court. Duplicates. Cases have settled.
7 It's a mess. That's another reason I issued the stay.

8 The third reason I issued the stay is I am not
9 going to allow you-all to mass settle hurricane claims.
10 You are going to represent these people individually.
11 I'm going to make you do your job as lawyers to these
12 people, and you're going to do them one at a time with
13 my mediators or my Magistrate Judge.

14 MR. REYNAUD: Okay. So we're not allowed to settle
15 unless with the mediator, that was my next question,
16 unless we do a motion to lift.

17 THE COURT: I would consider a settlement on a
18 joint motion. But I'm going to tell you now, you better
19 provide me in that joint motion proof that your client
20 has approved the settlement. If you're going to do it
21 that way without my mediators, then it's going to
22 require court approval. And I'm going to want to
23 approve expenses, attorney's fees, and everything.

24 MR. REYNAUD: Yes, Your Honor. Appreciate your
25 time.

1 MR. HUYE: Your Honor?

2 THE COURT: Yes.

3 MR. HUYE: One other question kind of in that vein.
4 We obviously have a large number of clients who are
5 calling us and they're asking when they're going to get
6 to go through the case management order. And I guess
7 any advice from Your Honor on, I know you want to do
8 them in batches, and I completely understand that plan,
9 what can I tell my clients.

10 THE COURT: You're going to tell your clients that
11 you don't know because -- you know, this is probably
12 your problem more than it is mine because, you see, if I
13 didn't put the stay in place, not only were your clients
14 not going to get a speedy resolution to their case but
15 all the other people who have been filing claims and law
16 firms who have been doing it for two years, it was going
17 to shut the whole system down because -- as I previously
18 explained. So this onerous is on you for doing it the
19 way you did it. I don't know what else to tell you; but
20 you're just going to have to tell them to be patient
21 because I'm just not going to unload these cases all at
22 once on the mediators, the case management order, nor
23 the Court. I can't do it to the insurance companies
24 because they can't respond to all of them that fast, and
25 so I got to keep the process moving. So, unfortunately,

1 you're late to the game filing them all at the last
2 minute like that. That's your problem, but you're just
3 going to have to tell them to be patient.

4 MR. HUYE: Yes, Your Honor.

5 THE COURT: But I'm going to tell you, if you want
6 to settle an individual case that's sitting out there,
7 then you need to come to me and I'm going to require
8 court approval of that kind of settlement. I want you
9 to go through the case management order with my
10 mediators or the magistrate because then I have court
11 supervision over the process. I'm sorry, but I have to
12 be honest. I just don't have faith and trust in y'all
13 right now. Y'all have to earn it back from the Court.

14 MR. HUYE: Yes, Your Honor. I think the CMO
15 mediators are fantastic. They're some of the best in
16 the state, the experiences that I've had with them. I'd
17 like more experiences. Your Honor, would you consider a
18 motion, if we have an agreement with the carrier --

19 THE COURT: To do what?

20 MR. HUYE: Yes, Your Honor. So if they would like
21 to go into a round of mediations, whether it be five or
22 six, whatever that number may be, and if we have a joint
23 motion between parties --

24 THE COURT: No.

25 MR. HUYE: -- to mediate --

1 THE COURT: I've already answered this question
2 earlier. The only way I'm going to allow you to do -- I
3 consider that a mass mediation. You can call the
4 magistrate office and request a date from the
5 Magistrate. Individually, you're going to go through
6 the case management order. I think we've typically
7 allowed up to four, what do you think, on a day. How
8 many could you really do in a day? I think some of them
9 will do four in a day, right. I'd let you do four.

10 MR. HRON: I think that's the upper limit.

11 THE COURT: You could do -- I think you can do
12 justice to a client and to the process if you -- I'd let
13 you do four, but that's going to be a scheduling thing
14 that Patrick handles. When your cases come out of the
15 case management order, he looks at them. I think you
16 communicate with the lawyers, do you not, and you assign
17 it to a mediator. Then the mediator is going to reach
18 out to you-all, and if y'all have four -- I think then
19 they set up that, where there's three or four, whatever
20 they can handle.

21 MR. HRON: Yes, Judge.

22 THE COURT: So the mediator will get with you and
23 work with you on scheduling, but they're going to know
24 not to do more than four in a day.

25 MR. HUYE: Yes, Your Honor.

1 THE COURT: I know that screws up your business
2 model but unfortunately --

3 MR. HUYE: No, Your Honor.

4 THE COURT: -- that's just the way it's going to
5 be.

6 MR. HUYE: This is not about a business model, Your
7 Honor. This is about us trying to help people, and
8 they're frozen right now. And, Your Honor, I'm just
9 begging for some guidance or assistance from the Court
10 on when we can at least go through the CMO process.

11 THE COURT: Well, as I release them and this mess
12 is cleaned up. Look, it creates more problems for me
13 releasing your cases as they stand right now with the
14 mess they're in than -- and it messes up everybody
15 else's cases and it slows the whole process down. So we
16 have got to ease through yours and clean them up, and as
17 we clean them up we're going to start releasing them.

18 By the way, I want to know, last time we had a
19 hearing there was a nice couple here, the couple from --
20 he worked at Firestone, Prudhomme? They had the
21 contents claim.

22 MR. HUYE: I remember. I can't --

23 THE COURT: Did you get -- and it was being held up
24 because they had retained y'all and they'd already
25 resolved that contents claim. Have you worked that out?

1 I told you -- the Poullards.

2 MR. HUYE: I can't remember where that landed up,
3 but I know we did work --

4 THE COURT: I think I left that hearing ordering
5 you-all to be sure -- because they'd already settled
6 their contents claim before they retained y'all but the
7 insurance company wouldn't give it to them because they
8 had retained y'all. I think I told you be sure you get
9 that money to them and you're not allowed a fee out of
10 it because you didn't do anything to earn it, and I want
11 an update on that. I should have put that in the order.
12 You need to check on that and help them get that money.
13 Those poor people have been waiting I don't know how
14 long. That guy had a heart attack, didn't he? He had a
15 heart attack.

16 MR. HUYE: I know we worked on it. It's not on the
17 top of my brain right now, Judge, what happened there;
18 but I'll be happy to look into it again.

19 Your Honor, I mean, is there any opportunity to get
20 maybe the first hundred cases?

21 THE COURT: You will never get a hundred cases out
22 of me. You're going to get them probably five or ten at
23 a time. I'm never going to release a hundred cases at
24 once because I know what you want to do. You want to
25 take a hundred and you want to try to go cut a deal with

1 somebody on them. And even if I release you a hundred,
2 I'm going to spread them so out among different insurers
3 you wouldn't be able to do it anyway.

4 MR. HUYE: Yes, Your Honor. I just want to start
5 going through your case management order.

6 THE COURT: We're going to start pretty soon. I'll
7 probably start releasing some, but I'm not releasing a
8 hundred because a hundred does exactly -- clogs up our
9 system.

10 MR. HUYE: Yes, Your Honor.

11 THE COURT: Because most people filed them as they
12 went along, not like y'all and dumped them in here at
13 the last minute. But we're going to start releasing
14 them here pretty soon.

15 MR. HUYE: Thank you.

16 THE COURT: I'll probably release some -- I might
17 even release some by the end of the week, but I got to
18 find the ones that there aren't problems in.

19 MR. HUYE: Yes, Your Honor.

20 THE COURT: That's the problem I have because I
21 don't want to release them just randomly because what if
22 I release one and, well, it's already settled. What am
23 I supposed to do with that? I mean, I release a case
24 and it's settled and then it was for nothing.

25 MR. HUYE: Your Honor, in those instances I would

1 just suggest that we are going to have a letter for you.
2 I know we spoke and we can do it a different way. We
3 have scrubbed our files. We're almost through what we
4 considered our batch, and then we're going to have a
5 letter to you or we can file --

6 THE COURT: What do you mean you scrubbed your
7 files? Because what I saw is you only filed -- yeah,
8 you went through the duplicates that I pointed out to
9 you and you pointed out, but there's many more
10 duplicates in here that we've already found. And then
11 after you dismissed those and you were sanctioned \$200,
12 the only thing I've seen is what was filed at the last
13 minute yesterday. I haven't seen any effort by y'all
14 filing motions with me to lift the stay to dismiss this
15 case as we found it settled or dismiss this duplicate.
16 I haven't seen anything from y'all. Only thing I've
17 seen is what I've pointed out to you, and then the night
18 before the hearing y'all file a bunch of stuff. That's
19 what I've seen.

20 MR. HUYE: Yes, Your Honor. We've been doing an
21 internal audit. We have everything in a major
22 spreadsheet. We talked, I believe, with your court
23 maybe earlier this week or last week just to get some
24 guidance on we would like to file dismissals in this
25 matter, would the Court accept a motion.

1 THE COURT: Here's what you need to do. You need
2 to file a motion to lift the stay for the purposes of
3 dismissing the case because it was a duplicate or it has
4 already settled or whatever. You need to give us the
5 reason. I'll be honest with you, I've actually done you
6 a favor by staying them because the fact that there's no
7 answer been filed in them, you can voluntarily dismiss
8 them for the most part without getting sanctioned. But
9 if they come in ahead of you like they did, file a
10 motion to lift the stay and answer, then you can't
11 voluntarily dismiss it anymore. Under the rules, then
12 they can also seek attorney's fees against you and you
13 can't dismiss it -- I don't think you can dismiss it
14 without prejudice anymore. It's going to be with
15 prejudice.

16 MR. HUYE: Yes, Your Honor.

17 THE COURT: And you're going to have prescription
18 problems then. Look, I'm just telling you, the way
19 y'all did this, you're -- I think you told me you got
20 out of law school in 2018 and that's good; but I'm just
21 telling you, you got a long career ahead of you and
22 you're playing with fire here, I'm telling you, doing it
23 this way. You're going to get yourself in trouble with
24 the Bar if you're not careful because -- you're also
25 going to have a problem with malpractice because, you

1 know, you filed this in the wrong jurisdiction, as I
2 explained earlier. If this case is dismissed, you're
3 going to have a problem. You're not going to be able to
4 refile these in state court. And jurisdiction, as I
5 told you, is not waivable. What's your client going to
6 do? You got to call your client and go, "Hey, we filed
7 in the wrong jurisdiction." Now, if they choose to sue
8 you for malpractice, I don't know; but that's a
9 possibility.

10 That's why the way you did this, I don't care, is
11 not a good way. I'm sorry. It's not the way you
12 practice law. You'll never convince me of it. Maybe
13 I'm too old school. Maybe I'm like Mr. Degan, it's
14 passed us by. All I know is I got a lifetime
15 appointment and I'm going to be sitting here for a long
16 time because I'm pretty young, and we're not going to do
17 that here. So if you're ever this way again -- God
18 forbid we have another hurricane.

19 MS. BENOIT: Amen.

20 THE COURT: Amen. I don't want any more
21 hurricanes. I don't want to do this again. But, no,
22 that's kind of the rules of the road for y'all.

23 MR. HUYE: Yes, Your Honor. Thank you so much for
24 the guidance.

25 THE COURT: All right.

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(Proceedings adjourned.)

* * * * *

CERTIFICATE

I hereby certify this 16th day of December, 2022 that the foregoing is, to the best of my ability and understanding, a true and correct transcript of the proceedings in the above-entitled matter.

Deidre D. Juranka
Deidre D. Juranka, CRR
Official Court Reporter

Deidre D. Juranka, CRR
United States Court Reporter
Western District of Louisiana