



## The Daily Docket

### Reuters

Diana Novak Jones, Mike Scarcella and Sara Merken

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Good morning. The DOJ is [expanding its whistleblower program](#) in the hope to draw in more tipsters disclosing corporate misconduct. Plus, the U.S. Chamber and other groups are taking the CFPB to court over its [new rule capping late fees](#) on credit cards; Tesla owners suing over claims of deceptive [driving-range claims face a setback](#); and a [music industry executive just hit](#) Greenberg Traurig and one of its former prominent partners with malpractice allegations. It's Friday, and nobody is suing over that. Let's dive in.

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#### [DOJ lures whistleblowers with rewards](#)

The DOJ is expanding its whistleblower program in an effort to coax more tipsters to disclose corporate misconduct, [report Karen Freifeld and Chris Prentice.](#)

The Justice Department is already authorized to dole out awards for information that leads to forfeitures of assets, but the agency has used it sparingly. The plan now is to launch a DOJ-run whistleblower rewards program later this year, Deputy Attorney General Lisa Monaco said at a conference of lawyers.

Agencies like the SEC and IRS have whistleblower programs, but they are limited in scope by the agencies' jurisdictions – the DOJ is seeking to fill in the gaps, Monaco said.

"If an individual helps the Justice Department discover significant corporate or financial misconduct - otherwise unknown to us - then the individual could qualify to receive a portion of the resulting forfeiture," Monaco said.

The department is particularly interested in information on criminal abuse of the U.S. financial system, as well as foreign and domestic corruption cases, especially involving illegal corporate payments to government officials.

*More top news*

> [Exclusive: FBI agents deliver grand jury subpoenas as ADM criminal probe escalates, sources say](#)

> [US consumer agency sued by banks, US Chamber over credit card late fee cap](#)

> [Trump cannot delay enforcing \\$83.3 mln verdict in E. Jean Carroll case](#)

## The buzz

- Music executive Mike Flynn [filed a legal malpractice lawsuit](#) against Greenberg Traurig and Joel Katz, a former shareholder at the law firm who has long worked as a recording industry adviser. Flynn, a former music executive for Sony Music's Epic Records and Universal Music's Capitol Records, accused them of botching his contract to take a job with Warner Music.
- DLA Piper persuaded U.S. District Judge Victor Marrero in Manhattan to [levy sanctions against a shareholder](#) of one of the firm's former clients, the Chinese software company Link Motion, after the investor dropped a \$180 million malpractice lawsuit against the law firm. Marrero upheld a recommendation from a magistrate judge to sanction China AI Capital Limited and its counsel for bringing the lawsuit.
- The test prep company that owns [Themis Bar Review acquired legal textbook and study aid firm Aspen Publishing](#), which operates the new alternative law school admissions program JD-Next. About 50 of the 197 U.S. law schools accredited by the American Bar Association now use JD-Next among the standardized tests for admitting new students.
- The U.S. Senate [confirmed two nominees](#) to fill Republican slots at the Federal Trade Commission. Virginia Solicitor General Andrew Ferguson and Utah Solicitor General Melissa Holyoak will join the five-member FTC, led by Democratic Chair Lina Khan.

## \$0

That's how much chicken producers including Perdue and Sanderson will pay after they settled food distributors' seven-year-old litigation alleging a conspiracy to fix prices. The settlement does not include any payments, but Perdue, Sanderson and other defendants, which had won recent victories in the cases, agreed that [they would not seek to recoup defense costs from the plaintiffs if they abandoned their remaining claims](#).

Columnist spotlight: [Pfizer diversity case splits federal appeals court over 'naming names' to establish a right to sue](#)

A 2nd Circuit decision on Wednesday that upheld the dismissal of a conservative group's challenge to a Pfizer program to boost diversity raised a tough question: When an organization brings a lawsuit claiming harm to its members, must those members be identified by name? That question, writes Alison Frankel, divided the panel that heard the Pfizer case — and has arguably divided the federal circuits.

Check out other recent pieces from our columnists [Alison Frankel](#) and [Jenna Greene](#).

*"Just like their character Uncle Scrooge, they choose to be cheap."*

—Attorney Ronald Zambrano, in a statement about the lawsuit he filed accusing Disneyland in southern California of forcing maintenance workers to use their own tools and depriving them of overtime pay and breaks required by state law. Representatives for Disneyland did not immediately respond to a request for comment. [The lawsuit in state court in Orange County seeks "up to seven figures in backpay" on behalf of more than 100 workers.](#)

#### Our weekend reading

- [Could the \\$6 billion legal fee in Musk's Tesla pay case be reasonable?](#)
- [Republican-led states sue US SEC over climate risk disclosure rules](#)
- [LSAT writing section gets a revamp ahead of changes in scoring](#)
- [US judge bars federal minority-business agency from considering race](#)
- [Health insurers slam renewed \\$185 million fee bid by Quinn Emanuel](#)
- [Infowars bankruptcy lawyer wants out of company's Chapter 11 case](#)
- [Bayer notches more wins in Roundup weedkiller cancer trials](#)
- [Authors suing OpenAI lose bid to halt rival N.Y. copyright lawsuits](#)

#### Coming up today

- The conservative legal group the Federalist Society will hold its annual National Student Symposium at Harvard Law School, with [the theme](#) "Why Separate Powers?" Speakers and moderators during the two-day event include U.S. Circuit Judges Raymond Kethledge, Jennifer Elrod, Stephanos Bibas and Britt Grant.
- Attorneys seeking to join a plaintiffs' leadership team in the multidistrict litigation covering [claims against companies like Walgreens and Costco](#) over the sale and marketing of over-the-counter drugs containing phenylephrine face a deadline in Brooklyn federal court to file their applications. More than 50 plaintiffs firms have already filed a motion in support of a leadership team chaired by Michael London of Douglas and London, court records show

Court calendars are subject to last-minute docket changes.

#### In the courts

- Tesla owners who accused the automaker of falsely advertising estimated driving ranges for its electric vehicles [must pursue their claims in individual arbitrations](#) rather than banding together

in proposed class actions, U.S. District Judge Yvonne Gonzalez Rogers in Oakland ruled. Tesla's Morgan Lewis team had called the claims "unmeritorious." A Reuters special report last year spotlighted [Tesla's effort to suppress complaints](#) about driving range.

- U.S. prosecutors accused Donald Trump of bringing a "frivolous" claim of presidential immunity in the criminal case accusing him of mishandling classified documents after leaving the White House. The move by Special Counsel Jack Smith is [an effort to block the former president](#) from using an immunity claim to delay trial, after the U.S. Supreme Court agreed to hear arguments next month on his claims of immunity in a separate case accusing him of trying to overturn his 2020 election defeat.
- A month after a Michigan woman was convicted of manslaughter in a school shooting carried out by her son, [the boy's father faced trial for the same unusual charge](#). The shooting was "a nightmare that was preventable and it was foreseeable," prosecutor Marc Keast told jurors in his opening statement in the trial of James Crumbley, while Crumbley's attorney Mariell Lehman said her client could not possibly have foreseen that his son was going to carry out a mass murder.

#### Industry moves

- Paul Hastings added real estate finance partner David Broderick in the firm's New York office from McDermott. ([Paul Hastings](#))
- **Saul Ewing added partner Zachary Kobrin in Fort Lauderdale. Kobrin, who represents cannabis companies, was previously at Akerman. ([Saul Ewing](#))**
- Clifford Chance hired partners Brian Lohan and Maja Zerjal Fink for its restructuring and insolvency team in New York. They were previously at Arnold & Porter Kaye Scholer. ([Clifford Chance](#))
- Former Assistant U.S. Attorney Seth Goertz jumped to Dorsey & Whitney as a partner in the government solutions and investigations group. Goertz will be based in Phoenix. ([Dorsey](#))

Lawyer speak: [Knowledge is power: Accessing loan information in troubled CMBS](#)

Last year saw many commercial real estate loans transferred to special servicers, which administer loans in default. With interest rates remaining high, that trend is expected to continue. [Investors in commercial real estate loans should be prepared if things go south, write Joseph Cioffi, Seiji Newman and Andrew Spillane of Davis + Gilbert.](#)