

Daily Journal

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TOP VERDICTS

THE LARGEST AND MOST SIGNIFICANT VERDICTS AND APPELLATE REVERSALS IN CALIFORNIA IN 2022

Karla D. Vukelich v. Thomas A. Palmer et al.

A grieving widow who lost her nest egg and blamed her loss on the long-standing family lawyer and friend who is the godfather to her two children — that was the scene faced by the Haight, Brown & Bonesteel LLP team representing the lawyer after the widow sued.

The widow, Karla D. Vukelich, contended that attorney Thomas A. Palmer of Wendel, Rosen, Black & Dean LLP mishandled the sale of \$3 million in promissory notes of Color Spot, a privately held company that her deceased husband had cofounded. The company's 2018 bankruptcy wiped out her equity as an unsecured creditor. Prior to trial, she sought \$3.4 million.

"Mr. Palmer had retired following a 51-year illustrious career, and Wendel Rosen has a sterling reputation throughout California," said Palmer's lead lawyer, Krsto Mijanovic.



KRSTO MIJANOVIC

"The challenge was that this was a complex transactional matter with a number of underlying contracts and we had to show that Mr. Palmer didn't do anything wrong and, in fact, got Ms. Vukelich the best deal possible."

Law partner Stephen J. Squillario, the chair of Haight Brown's professional liability



STEPHEN J. SQUILLARIO

practice group, highlighted the uphill battle for the defense in malpractice cases: "Lawyers don't always have the best reputation with juries, and it is common for those who have attorneys to blame them when things don't go right."

Mijanovic said that it didn't help that the plaintiff's



STEVEN A. SCORDALAKIS

lawyer, Karen M. Goodman of Goodman & Associates, started off the questioning of each potential juror, "How important is trust when dealing with your attorney?" *Vukelich v. Palmer et al.*, RG19002747 (Alameda Co. Super. Ct., filed Jan. 15, 2019).

"You have to go back and tell your story in a linear fashion, who knew what when," Mijanovic said. "Then let the jury conclude which narrative should be believed."

Squillario added the facts led early on to a strategy. "We identified that the statute of limitations was a meritorious affirmative defense. Ms. Vukelich didn't file until 2019," even though many of the events took place earlier, and

Case Details

CASE NAME

Karla D. Vukelich v. Thomas A. Palmer et al.

TYPE OF CASE

Professional Negligence and Breach of Fiduciary Duty

COURT

Alameda County

JUDGE(S)

Hon. James R. Reilly

DEFENSE LAWYERS

Haight Brown & Bonesteel LLP, Krsto Mijanovic, Steven A. Scordalakis, Stephen J. Squillario

PLAINTIFF LAWYERS

Goodman & Associates, Karen M. Goodman, James M. Cabot

a one-year filing limit applied. “We hammered the point — there was no mistake made by Mr. Palmer, but even if there was, it took place in 2014.”

After a four-week trial, the jury took three hours to rule that

the statute of limitations had expired, rendering a completed defense verdict. The case then settled confidentially to forestall an appeal.

Goodman protested that the statute of limitations argu-

ment was invalid. “Ms. Vukelich relied on her trusted advisor, Tom Palmer, that there wasn’t anything she could do to compel Color Spot to pay on the note,” she said by email. “She didn’t suffer

any damages until the bankruptcy was filed.” Until then, “she didn’t have any suspicion that her lawyer had done anything wrong or that she had suffered any loss.”

— JOHN ROEMER