

Ironshore Wants Out Of Defending Atty In 'Sex Slave' Suit

By **Jody Godoy**

Law360, New York (August 19, 2015, 7:52 PM ET) -- Ironshore Specialty Insurance Co. told a California federal court that it doesn't have to defend a Hollywood lawyer against allegations that he made an actress client his sex slave, because the attorney concealed an ex's attempt to extort sex and money when he bought the policy.

The insurer sought to ditch defense of Stone Meyer Genow Smelkinson & Binder LLP and the firm's attorney Neil Etti Meyer in the underlying suit by the actress, who filed the action under the moniker Jane Doe. Ironshore claims that the lawyers professional liability policy the firm held was voided from the start when the firm failed to disclose a restraining order that Meyer sought against a woman who said she was a former client and tried to "blackmail" him into having sex.

In the underlying suit, Doe accuses Meyer of forcing her to perform a variety of sexual acts over about four years while threatening to use his influence to sabotage her career if she did not submit to his demands. The suit also claims that the law firm knew or should have known about Meyer's conduct.

"Allegations of sexual assault, battery and rape do not constitute legal services or the failure to render legal services," the insurer said in a letter in May reserving its right under the policy, a copy of which was attached to the complaint.

The insurer said that it does not know if Jane Doe is the same woman whom Meyer described as an on-again off-again "ex-girlfriend" in a restraining order request filed in Los Angeles County Superior court.

According to Ironshore's suit, Meyer wrote in the restraining order that the ex had told him that they were "at war" and demanded \$40,000 and an apology, though after he agreed to pay her \$30,000, she demanded he go on a 10-day trip with her or she would report him to the California Bar Association.

She did complain to the bar, saying that she left Meyer as a client because she "no longer felt Neil was negotiating the best deals for me," asking the bar to "accept this letter as a formal complaint," according to the insurer's account of the restraining order petition.

After the insurer sought to dodge coverage in May, the firm wrote it a letter on Aug. 7 through counsel, arguing that a judge presiding over the underlying complaint had granted the firm's motion to compel arbitration, saying that "the complaint makes clear all of the claims are based on the attorney-client relationship."

Larry Stein, an attorney for Stone Meyer, told Law360 that the insurer must have concluded that “the best defense is a good offense” and decided to file its own declaratory judgment action before the firm did.

However, Stein pointed out that the suit violates an arbitration clause in the policy requiring insureds to take their disputes to mediation. According to a copy of the policy attached to the complaint, the parties to the insurance contract waived the “right to trial in a court and by a jury.”

Counsel for Ironshore did not immediately reply to a request for comment on Wednesday. Representatives for Stone Meyer declined to comment.

Counsel information for Meyer was not immediately available on Wednesday.

The firm is represented by Stanton L. Stein of Liner LLP.

Ironshore is represented by Louis H. Castoria and Sheila M. Pham of Kaufman Dolowich & Voluck LLP.

The case is Ironshore Specialty Insurance Co. v. Stone Meyer Genow Smelkinson & Binder LLP et al., case number 2:15-cv-06304, in the U.S. District Court for the Central District of California.

--Editing by Stephen Berg.

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