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Finding a Noble Purpose in a Mediation Career

By Peter Zuckerman
Daily Journal Staff Writer

LOS ANGELES — After nearly a week lugging a 70-pound pack through the wilderness, Sandy Gage was finally ready.

It was midnight and freezing. Drained, hungry and irritable, he waited while the leader of Hero Quest examined the attorney's purpose in life.

It took hours, and when the leader finally announced Gage's purpose — "to bring joy and happiness to himself and others" — Gage balked.

"That's not a noble purpose," he said, recalling that night in the

ADR Profile

1990s. "I must be on this earth to do something more worthwhile."

But by 6 a.m., enlightenment had occurred, and, soon afterward, Gage changed himself: He stopped litigating and started mediating.

For decades, Gage has been a well-known name among trial lawyers. He has been president of two of the largest trial lawyer associations in the United States: Consumer Attorneys of California and Consumer Lawyers Association of Los Angeles.

Gage tried one of the nation's first insurance bad-faith cases. He co-wrote a leading book on insurance bad faith. He won record-breaking verdicts and landed on top-lawyer lists.

Among his high-profile lawsuits: the state Supreme Court case about the surgeon who secretly patented a patient's cell line.

"He was bringing new law to the cases everyone else was working on," said Phillip Michels of Michels & Watkins in Los Angeles.

But then Gage lowered his legal profile. After going on the Hero



ROBERT LEVINS / Daily Journal

"I have no desire to be the busiest mediator. I want to be among the best. You have to keep reinventing yourself and adjust your style. I also come up with a strategy. Should I keep the parties together or apart? Should I first talk to the plaintiff or the defendant?" mediator Sandy Gage said of his approach to his work.

Quest backpacking trip, Gage wanted to spend more time making people happy. He did less law and more charity, working with groups such as Handicapped Artists, Performers & Partners, City of Hope and Los Angeles Chamber Orchestra.

"People were wondering, What happened to Sandy Gage?" said Ronald H. Mandel of Gray, York & Duffy in Encino.

They found him mediating disputes with the same dedication he used to win high-profile court cases.

A cricket ball sits on a shelf in Gage's West Los Angeles office. He used to ride a Suzuki motorcycle to court and once went on a three-week motorcycle trek, but he now drives a Jaguar XK8 convertible. All the injury lawsuits he had taken convinced him motorcycles were too dangerous for someone his age. Gage is 71.

Raised in Beverly Hills, Gage attended UCLA and the UCLA School of Law. In law school, he loved moot court and, before arguing a case, once dyed his hair gray, dressed

as an English barrister and spoke in a fake British accent. The judges weren't impressed. Gage lost the case.

"I learned never to be a smart-aleck," he said.

When Gage graduated in 1958, he went to work for the Los Angeles city attorney and eventually went into criminal defense work. In one case, his client faced a concealed-weapon charge. Gage got him off with a \$50 fine. The man later shot someone five times in the stomach.

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"I was unhappy getting good results for people like that," he said. "It didn't fit with me."

So Gage stopped criminal defense work and started his own civil law firm in the 1960s.

That firm hit the news in the 1970s when Gage won one of the first insurance bad-faith cases. The car-crash suit against Employers Liability Assurance Corp. ended with a \$175,000 verdict, among the largest at the time. It was overturned on appeal, and the case ultimately settled. *Richardson v. Employers Liability Assurance Corp.*, Civ. 37896 (Cal. App. 2nd Dist., April 28, 1972).

A few years later, Gage tried another suit thought to be the first to establish that punitive damages could be awarded for insurance bad faith. *Neal v. Farmers Insurance Exchange*, 148 Cal. Rptr. 479 (Cal. 1978).

The \$1.54 million verdict was a record at the time.

Perhaps the most controversial case Gage took established that patients don't have property rights to their cells.

John Moore, Gage's client, went to UCLA Medical Center in 1976 for the treatment of leukemia. His doctor, David Golde, discovered that some of Moore's spleen cells overproduced a compound useful to treat various diseases.

Golde removed Moore's spleen and turned it into a cell line, which Golde patented. The doctor contracted with drug companies to use the cell line in their quest to produce new medications.

When Moore found out, he sued. The trial court threw out the complaint, and the state Supreme Court upheld that ruling. *Moore v. Regents of the University of California*, 51 Cal.3d 120 (Cal. 1990).

"It was the country's first biotech case about human products," Gage said.

Another well-known case he took involved the alleged wrongful death of Jerome Weber, who was shot to death while using an ATM machine



Sandy Gage

Mediator

Affiliation: Independent

Age: 71

Location: Los Angeles

Areas of specialty: Injury, insurance, contracts

Fee: \$350 an hour

in Los Angeles. Weber sued Wells Fargo. The case settled.

In the 1990s, Gage decreased his legal work and increased his volunteering with groups such as the Jewish Federation, Los Angeles. He decided to become a mediator in 2003, he said, because he wanted to help people and he missed the practice of law.

Gage took courses at the Straus Institute for Dispute Resolution at Pepperdine University School of Law and accepted 50 cases from the Los Angeles County Superior Court.

"I wasn't doing it for the money, and I have no desire to be the busiest mediator," he said. "I want to be among the best."

Gage has mediated hundreds of cases and prefers to do just a few mediations a week.

When his wife told him he was charging too much — \$500 an hour — he cut his price to \$350, but not,

he said, to attract more work. He wanted to make himself more accessible to people who don't have as much money.

To prepare for mediation, Gage talks to the parties' attorneys and reads the relevant documents.

"But I also come up with a strategy," he said. "Should I keep the parties together or apart? Should I first talk to the plaintiff or the defendant?"

The strategy typically changes directions once the mediation starts and Gage becomes more familiar with the players. He prefers mediations to arbitrations.

More than 40,000 people have basic mediation training in California, he said, and sophisticated lawyers know how the process works and how to manipulate it.

As a result, he said, "you have to keep reinventing yourself and adjust your style."

Gage said he gives his opinion about how much a case is worth only if both sides want him to, and he doesn't believe all cases should settle.

He won't pressure people to settle if they've thought everything out and don't think it's in their best interest.

In response to a Daily Journal questionnaire, he wrote that his mediation philosophy is "to always keep a light heart ... to treat participants with respect ... to enlighten but not to overpower; to vary my approach so that it is fresh and keeps moving towards resolution; to serve as an honest broker; to help the parties enjoy the process."

Emily Wehbe, who has used Gage several times, said Gage has an extraordinary ability to understand the personalities of everyone involved. During one mediation, a man didn't want to talk and kept turning his back to Gage.

Gage somehow broke through. "It's his magic," said Wehbe, who often does defense work. "If I knew how he did it, we'd all be good mediators."

Several other lawyers gave simi-

lar reviews.

When Gage was learning how to mediate, he watched a session by Max Factor III, now president of the Southern California Mediation Association.

One of these mediations involved a partner dispute over the breakup of a business. After three hours, the mediation stalled.

Something seemed strange about the way one of the business partners was answering questions. Maybe he was hiding something? Gage, who had stayed quiet the whole time, got permission from Factor to ask a question.

"You mentioned you have a brother," Gage said to one of the business partners. "What are you and your brother doing now?"

The silence lasted 30 seconds.

Finally, the business partner responded. "Actually, that's why this business broke up," he said.

Factor, recalling the incident, said the question changed the entire mediation.

"If he had not asked it, we would have been in mediation for eight more hours and not had a resolution," Factor said.

"Gage has a way of listening to people and seeing what is really going on."

Here are some lawyers who have used Gage's services:

Philip Michels, Michels & Watkins, West Los Angeles; Richard W. Bane, Lewis Brisbois Bisgaard & Smith, San Bernardino; A. Emily Wehbe and E. Allen Sturgeon II, Sturgeon & Wehbe, Mission Viejo; Bruce E. Disenhouse, Kinkle, Rodiger & Sprigs, Riverside; Bob M. Cohen, Cohen & Steinbrecher, Encino; Steven D. Wiener, Marina del Ray; David M. Ring, Taylor & Ring, Westwood; David Campbell Smith, McNamara, Spira & Smith, Westwood; Robert S. Fink, Los Angeles; Ronald H. Mandel, Gray, York & Duffy, Encino.