

Connors

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statewide commissions. Connors is listed in "The Best Lawyers in America" in four separate categories.

He is a former member of the board of directors of the Bar Association of Erie

County and the board of governors of the Western New York Trial Lawyers Association. Connors is a former chair of the state bar's Criminal Justice Section, and a fellow of the New York Bar Foundation.

Goldberg Segalla opens new office on Long Island

Goldberg Segalla LLP announced the opening of its newest office, located at 373 Route 111 in Smithtown, NY. Goldberg Segalla LLP's main office is located in Buffalo, with additional offices in Rochester, Albany, Manhattan and White Plains.

William Fitzpatrick, who joined the firm as a partner, will head the Long Island location. He is a former attorney of record for Royal SunAlliance Insurance Compa-

nies and former staff counsel for American International Group. He is a member of the Trial Lawyers' and the Torts, Insurance, and Compensation Sections of the New York State Bar Association and a member of the Suffolk and Nassau County Bar Associations.

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Judiciary payhikes

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private practitioners, but the disparity must be lessened so that able attorneys will continue to seek judgeships and able judges can stay in office without sacrificing the financial well being of their families," Buzard said. "Two pay increases in the last 18 years is simply not tolerable. We join with the chief judge in calling for an immediate increase."

Kaye urged the creation of a permanent mechanism for reviewing the salaries of judges, legislators and executive branch officials and automatically increasing their salaries to reflect cost of living increases.

Currently, new state law is required to increase official's salaries, and these bills invariably become political hot potatoes.

Kaye argued that New York needs to establish a new system of matrimonial law which would end the current adversarial system in which one party must be at fault before a divorce can be granted. "Divorce takes too long and costs too much — too much money, too much agony."

She endorsed a call for no-fault divorce law included in a report prepared by the judiciary's matrimonial commission, chaired by former Second Department Appellate Division Judge Sondra Miller.

The report was released on Feb. 6. The report calls for a rethinking of matrimonial law, Kaye said, for example, referring to "parenting time" instead of "visitation" when discussing children.

Kaye also urged lawmakers to adopt a new system for nominating elected judges to replace the current convention nominating system in which political party leaders pick judges. The current system has been declared unconstitutional by a U.S. district judge.

A supplemental report from a commission headed by former Fordham Law School dean John Feerick, which Kaye also released on Feb. 6, calls for eliminating the

convention system. The current process, the report says, fosters the impression that convention delegates rubber stamp the selections of party leaders.

The Feerick commission proposed using more regional conventions, with smaller numbers of delegates, to pick judges instead of going to the direct primary system which the U.S. district court said should replace the current system.

"While this issue remains in the Federal court and state Legislature, I am confident that the reforms we are now implementing will significantly improve judicial elections," Kaye said.

Other issues Kaye addressed include:

- Giving judges the ability to impose orders of protection longer than the current three years in domestic violence and criminal cases.

- Creation of a new task force on probation to be run by former state Sen. John Dunne.

- Overhauling surrogate court procedures to ensure that people with personal, business or political ties to a judge cannot act as a public administrator or counsel in cases where there is no will.

- Launching a campaign to encourage more lawyers to work pro bono, especially in 50,000 uncontested matrimonial cases filed by poor New Yorkers ever year.

- Improving services for prospective jurors to make jury duty easier and more attractive.

- Encourage public outreach so people better understand the court system.

- A renewal of her long-time call to streamline the state court system from 11 different types of courts to two.

This report first appeared on the online edition of the Albany Business Review, a sister publication.

Intuit countersues Block about tax return claims

The argument about whether TurboTax customers or H&R Block Inc.'s employees prepare more tax returns continued Feb. 3 in U.S. District Court in Kansas City, with the software-maker claiming that Block hasn't reported consistent statistics.

Kansas City-based Block (NYSE: HRB) and Intuit Inc. agreed Jan. 18 that Intuit would pull advertisements claiming that its software prepared more returns than Block. In a Jan. 13 suit filed against Intuit over the ads, Block claimed that it had prepared 26 million returns last year.

But Intuit countersued Block on Feb. 3, arguing that Block has filed numbers under seal in the case that contradict its public numbers.

"Through this lawsuit, H&R Block not only seeks to prevent Intuit from relying on H&R Block's publicly published numbers, but also seeks to prevent the public at large from relying on (or even having access to) H&R Block's newly claimed numbers," Intuit's counterclaim said.

Intuit also said Block's annual reports contradict the 26 million reported in the lawsuit. Intuit said Block reported in 2004 that it had it prepared 15.9 million to 16.9 million returns yearly in 2000-04.

Intuit alleged that Block's conflicting statements amounted to a "fraudulent misrepresentation to the detriment of Intuit,"

and the counterclaim asked for restitution and disgorgement of Block profits resulting from "unfair competition and business practices."

Block spokeswoman Linda McDougall said the number of tax returns it prepares and the number of clients it serves are different.

"Basically, numbers don't lie, and Intuit just doesn't have numbers to back up its claim," McDougall said. "Even though we've explained this to them repeatedly, it's clear that they don't understand the difference between the number of clients served and the number of tax returns prepared."

Block prepared more than 26 million returns for more than 19 million clients in the United States in 2005, she said. The number of returns prepared exceeds the number of clients served because the company often prepares federal and state returns for clients, she said.

Block has served more than 19 million clients in the United States each fiscal year from 2003 through 2005, McDougall said.

Block ranks No. 3 on the Kansas City Business Journal's list of area public companies.

This article first appeared in the Kansas City Business Journal, a sister publication.

USG agrees to pay \$4B to settle asbestos claims

By MIKE COLIAS
The Associated Press

USG Corp. said Jan. 30 it expects to emerge from 4 1/2 years in bankruptcy sometime this summer after the world's largest manufacturer of wallboard agreed to settle its asbestos-related lawsuits.

The Chicago-based company's stock leapt \$15.59, or 19.5 percent, to \$95.44 in afternoon trading Jan. 30 on the New York Stock Exchange — its highest level since the early 1990s. The stock traded around \$4 in June 2001, when heavy asbestos litigation costs forced USG into Chapter 11.

The agreement calls for USG to pay \$900 million in cash into a new trust to handle present and future asbestos personal-injury claims. It would pay another \$3.05 billion to the trust through a contingent note.

However, that payment would be canceled if Congress passes legislation creating a national asbestos personal-injury trust fund. The U.S. Senate is expected to take up that measure this month.

But the deal signals that USG and other companies exposed to asbestos litigation aren't holding out much hope for the bill, said Jeff Cooper, managing partner at SimmonsCooper in Chicago. The firm represents victims of asbestos-related mesothelioma.

"The bill is a real long shot at this point," Cooper said. He added that the USG settlement "looks like a fair deal for victims ... and for USG."

The Senate bill would establish a \$140 billion trust fund with contributions from corporate defendants and their insurers to compensate victims of asbestos exposure.

In exchange, courts would be prohibited from hearing new lawsuits from asbestos victims, sparing companies from large awards that could bankrupt them.

USG officials said the proposed settlement will be included in a plan of reorganization and disclosure statement they expect to file with bankruptcy court next month. The documents will outline its plan to leave bankruptcy by July following court approval.

The plan calls for the company to fully repay debt holders and suppliers with interest.

"This agreement will allow us to keep our promises to provide compensation to those who have been injured, to repay our unsecured creditors in cash with interest and to reward our shareholders," USG Chairman and CEO William Foote said during a conference call Jan. 30.

Financing for the contingent note would come from tax refunds, new long-term debt and a \$1.8 billion rights offering to existing stockholders, backed by Warren Buffett's Berkshire Hathaway Inc. USG officials said Hathaway would acquire any shares not purchased by USG shareholders.

USG, which has seen its shares surge even in bankruptcy thanks to a booming housing market, also on Jan. 30 reported a fourth-quarter loss of \$1.78 billion, or \$39.94 a share, on sales of \$1.34 billion. Results include an after-tax charge of \$1.9 billion, or \$43.39 per share, to settle asbestos personal injury liability.

Excluding those costs, fourth-quarter 2005 net earnings were \$165 million and earnings per share were \$3.70.

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