

Minnesota Supreme Court Decisions - Highlights from 2013

Please note: Case summaries provided by Professor Peter Knapp, William Mitchell College of Law; reprinted with permission.

Attorney Fees: Lemon Law

Green v. BMW of North Am., LLC, 826 N.W.2d 530

Case #A11-0581

Chief Justice Gildea

Filed February 13, 2013

When a vehicle Green leased from BMW proved defective, she brought a claim against BMW under Minnesota's lemon law, Minn. Stat. § 325F.665, and the Magnuson-Moss Warranty Act. Following a four-day bench trial, the district court entered a judgment for Green in the amount of \$25,157, and later awarded her counsel \$221,499 in attorney fees. BMW appealed, arguing in part that the attorney fees were excessive.

HELD: District courts should use the lodestar method in assessing attorney fees under the lemon law. In determining an award of reasonable attorney fees, “a district court is to consider all relevant circumstances,” and these circumstances include “the amount involved and the results obtained.” Here, the district court erred in failing to consider the amount involved in the litigation. “Because billing judgment is necessarily related to the merits of the case and the amount at issue in a consumer protection case, divorcing an award of attorney fees entirely from the amount at stake in the litigation would relieve attorneys from the need to exercise such judgment.” However, “our direction to lower courts to consider the amount involved and the results obtained when awarding reasonable attorney fees does not amount to a ‘dollar value proportionality rule.’ The amount involved is merely one factor, among a host of others, that the district court is to consider in awarding reasonable attorney fees.”

The court **reversed** the appellate decision **affirming** the district court.