The Beth Din of America takes confidentiality very seriously. Before publishing any case, we modify key details to protect the identities of all parties involved. Names, dates, locations, and other identifying information are changed or omitted, and certain unique facts may be altered. For example, the industry in which the dispute took place is often modified.

ו' חשון תשפ"ו
October 28, 2025

Psak Din - Levinson Shore & Bloom LLP vs. Bernstein

The Beth Din of America, having been chosen by the parties as arbitrators pursuant to an arbitration agreement (the "Arbitration Agreement," attached hereto as Exhibit A) dated as of March 1, 2025, between Levinson Shore & Bloom LLP, with an address at 1000 Any Street, New York, New York ("Plaintiff"), and Eli Bernstein, with an address at 2000 Any Street, Boca Raton, Florida ("Defendant"), to submit for a binding decision with respect to a claim for legal fees, hereby decides as follows:

Facts and Claims

Plaintiff was hired by Defendant in February 2023 to represent him in his $4.25 million purchase of a warehouse and distribution center. The deal closed at the end of 2023. Defendant paid a $35,000 retainer to Plaintiff. Plaintiff applied the retainer to his work and began sending monthly bills starting in May 2023. According to Plaintiff, throughout the process and up until just before the closing Defendant did not raise any concerns about the bills.

Just prior to the closing, Defendant challenged the bill and indicated that he would not authorize its payment as part of the closing. As he further explained at the hearing, Defendant viewed the bill as disproportionately high for a deal of this size and complexity, and significantly higher than the initial ballpark figure of $40,000-$60,000 that Plaintiff had estimated their services would cost.

The stalemate between Plaintiff and Defendant played out over a flurry of emails during the week prior to the closing. At one point, a tentative settlement was reached to reduce the charges to $85,000. That agreement fell apart over a misunderstanding over whether that sum represented the balance of fees owed (after applying the $35,000 retainer) or the full cost of Plaintiff's services. At another point, Plaintiff offered to be paid $70,000 at closing, with the remaining balance of the fees to be held in escrow.

Ultimately, no deal was reached and Plaintiff ceased working on the transaction. The closing proceeded without Plaintiff in attendance. That fact provided the basis for Defendant's claim at the hearing that Plaintiff acted unethically and in violation of attorney ethics rules by leveraging their representation, at a moment of vulnerability for Plaintiff, to extract payment of their fees. Defendant also claims that Plaintiff improperly colluded with the environmental compliance firm hired by Defendant (to prepare a report essential to obtaining financing for the transaction) to try to stop the deal from closing, and that Plaintiff had a relationship with the environmental firm that amounted to a conflict of interest. According to Plaintiff, it was Defendant who chose the firm and no improper or undisclosed relationship exists between Plaintiff and the firm.

Defendant complains that he was prejudiced by Plaintiff's failure to represent him at the closing, and that he even made substantive mistakes at the closing that he would not have made had he been represented by counsel. On that basis, Defendant demands the return of the $35,000 retainer he already paid.

Plaintiff argues that it provided the precise services contracted for in the retainer agreement, and followed standard and customary billing practices to tally the amount invoiced to Defendant. Although the final bill came in higher than the initial estimate, Plaintiff maintains that the retainer agreement clearly obligates Plaintiff to pay for hours actually worked. According to Plaintiff, the high costs relative to their initial estimate were the result of circumstances out of their control and pointed out by Plaintiff to Defendant during the engagement. These included unexpected regulatory hurdles and additional legal work prompted by environmental compliance concerns identified during due diligence. In addition, midway through the process local officials raised new zoning and fire-safety questions that required extensive coordination with consultants and municipal agencies. Plaintiff also noted that the lender insisted on additional documentation to address potential environmental liability, and that Defendant requested assistance navigating these issues since it was his first transaction involving an industrial property. As for the allegation that Plaintiff violated ethics rules by declining to show up to the closing without being paid, Plaintiff maintains that they were entitled to do so under New York's Rules of Professional Conduct, and that the deal closed regardless, so that Defendant did not suffer any damages from Plaintiff's failure to attend the closing.

Plaintiff presented a 50 page accounting of billed hours that included dated entries listing the the attorney or paralegal who performed the work, the time spent and hourly rate, a summary of the work performed, and the billable amount being charged. The total amount of charges on the accounting is $125,339.45. That amount includes $15,000 that had been inserted prior to the closing to account for time anticipated to be spent at the closing. That amount was unearned since Plaintiff did not attend the closing, leaving a total earned amount of $110,339.45. The balance due, after subtracting the $35,000 retainer already paid and a "courtesy discount" applied by Plaintiff is $68,744.90.

Discussion and Decision

One who hires someone for work is obligated to promptly pay for the services rendered.[1] An agreement entered into by parties setting forth the payment rate and terms of the engagement is binding.[2] A businessperson's books and records compiled in the ordinary course and unimpeached by any evidence that would impugn their reliability may be used by a beis din to determine facts, such as the number of hours worked.[3]

In this case, the parties entered into an engagement letter that clearly stated the billing rates and practices. Plaintiff kept clear records of time spent on the matter and sent regular invoices to Defendant. Despite Defendant's claims to the contrary, nothing in the evidence or testimony presented to the undersigned panel indicated irregularities or non-customary billing practices. We accept Plaintiff's claims regarding the services rendered and amounts due.

Based on the testimony of the parties and our review of the emails presented to us, we reject Defendant's assertions that Plaintiff engaged in improper or unethical conduct, including in their decision not to continue to represent Defendant after it became clear that he was not prepared to pay the invoiced fees. This is especially true because it is difficult to conceive of any real basis for Defendant's refusal to pay the fees, let alone decline offers to discount and even escrow the fees in dispute. New York's Rules of Professional Conduct provides that a lawyer may withdraw from representation when, "the client deliberately disregards an agreement or obligation to the lawyer as to expenses or fees."[4] Even when withdrawal is permitted, "a lawyer shall take steps, to the extent reasonably practicable, to avoid foreseeable prejudice to the rights of the client, including giving reasonable notice to the client."[5] Based on the full context of the emails exchanged in the days leading up to the closing and the totality of the circumstances, Plaintiff did not foreseeably prejudice the rights of Defendant. Plaintiff was communicative with Defendant and the other parties and counsel working on the closing, and offered concessions to bring the matter to resolution. We reject Defendant's claim that Plaintiff's failure to attend the closing caused him harm for which he should be reimbursed. Defendant made a conscious choice to deny payment to his lawyers for services rendered and then decided to close the deal without representation. His unpaid lawyers can hardly be held liable for the consequences of those actions.

Finally, Defendant failed to prove that any conflict of interest existed with respect to the environmental company.

Based on the foregoing, Defendant is ordered to pay $69,069.50 to Plaintiff within thirty (30) days of the issuance of this *psak*.

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[1] *Devarim* 24:15.
[2] *Pischei Choshen*, *Sechirus* 8:1.
[3] *Shulchan Aruch*, *Choshen Mishpat*, 91:5.
[4] N.Y. Rules of Prof'l Conduct r. 1.16(c)(5) (N.Y. State Bar Ass'n 2021).
[5] Ibid, r. 1.16(e).

All other claims are hereby denied. Any request for modification of this award by the arbitration panel shall be in accordance with the rules and procedures of the Beth Din of America, the provisions set forth herein, and the arbitration agreement of the parties. The obligations set forth herein shall be enforceable in any court of competent jurisdiction, in accordance with the rules and procedures of the Beth Din of America and the arbitration agreement. Any provision of this agreement may be modified with the written consent of both parties. Except as otherwise indicated, all of the provisions of this decision shall take effect immediately.

IN WITNESS WHEREOF, we hereby sign and affirm this order as of the date written above.

Rabbi AA | Rabbi BB | Rabbi CC, Esq.