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From the Los Angeles Times

Loser of Bias Lawsuit Loses Again

Judge rules O.C. Islamic Society must pay legal fees for a woman who was fired. Meanwhile, the group sues its insurer over the case.

By Sara Lin

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A Superior Court judge has ordered the Islamic Society of Orange County and two of its officials to pay \$1.7 million in fees to lawyers for a woman who won a discrimination suit against the group.

Zakiyyah Muhammad, a convert to Islam, was fired after serving five years as principal of the Orange Crescent School in Garden Grove, which is run by the Islamic Society. A jury awarded her nearly \$800,000 in September after she said she was fired for challenging her male bosses.

The Islamic Society, meanwhile, filed suit Monday against its insurer, the Chubb Insurance Group, saying the company should have accepted a proposed settlement of \$900,000, which included attorneys fees. Chubb has told the society that its \$1-million insurance policy was eaten up by attorneys fees at the trial and that it must pay the \$2.5 million.

"We're saying, 'Hey wait. You should've settled this for us. Instead, you forced us into a lawsuit we didn't want,'" said Jordan Stanzler, the Islamic Society's attorney in the new case.

Chubb representatives declined to comment, saying they were unaware of the suit.

Muhammad sued in 2004 after run-ins a year earlier with Fazal Mirza, the new school board president. Muhammad said her case highlighted a cultural divide between U.S.-born Islamic women who believe they are equal to men, and Islamic immigrants from Asian and Middle Eastern countries, where women often are considered subservient.

Muhammad said in her suit that Mirza had secretly planned to replace her with the vice principal, a Pakistani immigrant, and that Mirza verbally attacked her at a school board meeting and then refused to apologize. Muhammad asked for a hearing before the Majlis-e-Shura, the society's governing board. Shortly afterward, on Sept. 16, 2003, she was fired.

On the eve of the trial, Muhammad accepted a mediator's proposal to settle for \$900,000. The Islamic Society's lawyer, who worked for Chubb, recommended the insurance company accept the

proposal. Chubb rejected the offer and replaced its in-house attorney with a lawyer from the international firm Seyfarth Shaw.

After a 35-day trial, a jury sided with Muhammad and ordered the Islamic Society, Mirza and board treasurer Refat Abodia to pay Muhammad \$788,000, which included punitive damages of \$130,000.

"When that case came in the door, we agreed to take it, thinking it would settle immediately," said Ed Connor, Muhammad's attorney. "The conduct was so outrageous that we thought no one in their right mind would defend it."

Judge Corey S. Cramin on Thursday ordered the Islamic Society to pay Connor's fees, awarding him \$50 an hour more than he had requested for "exceptional competence exhibited at trial and the positive result on the relevant issues."

Such bonuses to attorneys are common in discrimination cases because they provide incentives for lawyers to take cases that might not appear financially attractive, said Diane Karpman, a legal ethics expert.

"The courts want to encourage lawyers to bring discrimination claims like this because the claims themselves have a benefit to society," she said.

Representatives of the Islamic Society did not return calls Monday. Connor said the group owned property it could sell to cover the judgments. The society has posted enough money with the court to cover Muhammad's \$800,000 judgment while it is appealed, he said. The suit against Chubb seeks punitive damages as well as costs of the judgment, appeals and attorneys fees.

"They were gambling that they could win, but gambling with our money," Stanzler said.

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