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Pryor Cashman Defeats Motion to Dismiss by Penthouse Media Group against Bob Guccione

A motion made by Penthouse Media Group (PMG), Marc Bell and Daniel Staton to dismiss a \$7.5 million breach of contract and fraud suit filed against them by Plaintiffs Bob Guccione, Penthouse Publications Limited and General Media International, Inc. was denied by Justice Charles Ramos of the New York Supreme Court.

In the action filed by Pryor Cashman on behalf of Plaintiffs, Guccione, the founder of Penthouse Magazine and former CEO and chairman of General Media, Inc. (GMI), the predecessor to PMG, alleges that Defendants fraudulently induced Guccione to support Defendants' plan to take GMI out of bankruptcy by offering Guccione various benefits, including employment at the reorganized company as chairman emeritus. Though this offer was memorialized in agreements annexed to Defendants' plan, Defendants breached the agreements the day after Defendants obtained the controlling interest in GMI.

Defendants moved to dismiss the various claims against them, arguing, among other things, that Guccione (a) was not a party to the unsigned agreements, (b) failed to satisfy certain conditions, and (c) did not allege enough facts necessary to sustain an action against them. In denying the motion, the Court, in its decision of July 21, 2008, found that Plaintiffs sufficiently alleged their causes of action to survive the motion to dismiss.

Pryor Cashman litigation partner Jamie M. Brickell, along with associate Mario M. Choi, represent Plaintiffs in the litigation.

To read the report of the decision on Bloomberg.com, please [click here](#).