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Pryor Cashman Files Securities Fraud Action on Behalf of Investors Against Paramount

On December 2, 2008, Pryor Cashman, acting on behalf of a group of investors who purchased securities issued by Melrose Investors LLC (Melrose), filed a securities fraud complaint in the United States District Court for the Southern District of New York.

Melrose was a special purpose vehicle which served to finance the production of a slate of films produced and distributed by Paramount. The Melrose transaction was the first deal of its kind by Paramount and raised over \$231 million to finance over twenty Paramount films, including *Mean Girls*, *The Stepford Wives* and *The Manchurian Candidate*.

The complaint filed by Pryor Cashman alleges that Paramount failed to inform investors of fundamental changes to Paramount's risk mitigation strategies. The film slate was not financially successful and the plaintiff group of investors claims that had Paramount managed risk in the manner represented to them, they would not have lost their entire investment of approximately \$40.1 million.

Pryor Cashman litigation partners James A. Janowitz and Donald S. Zakarin and associate Jacob B. Radcliff are handling the case on behalf of the plaintiffs.

To read an article about the case which appeared in *The New York Post* on December 3, 2008, please [click here](#).