

# New York Law Journal

## NEWSBRIEFS

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### **Malpractice Suit Proceeds Against Morrison Cohen**

A state judge has allowed a \$15 million legal malpractice suit to proceed against law firm Morrison Cohen over its alleged failure to perfect a security interest for a client investment fund. Mercantile Capital Partners Fund hired Morrison Cohen partner Lawrence B. Rodman to represent it in connection with its investment in Dry Ice Inc., a financially troubled maker and seller of children's furniture. According to Mercantile Capital, Mr. Rodman failed to timely file documents needed to perfect his client's security interest on around \$1.2 million in loans to Dry Ice made in 2005. The lawyer's subsequent assurances that the security interest had not been affected by the delay caused the fund to loan an additional \$300,000, the suit claims. The fund claims questions about its status as a secured creditor later scuttled a reorganization plan led by another investment group that would have benefited the company and allowed Mercantile to achieve a return on its investment. In moving to dismiss the suit, Morrison Cohen did not deny its failure to timely file the perfection documents but argued that event was not the proximate cause of Mercantile's losses. Manhattan Supreme Court Justice Doris Ling-Cohan ruled that Mercantile had sufficiently alleged legal malpractice to survive a motion to dismiss, though she threw out a breach of fiduciary duty claim as duplicative. Mercantile is represented by David Rose of Pryor Cashman; Morrison Cohen is represented by Andrew Jones of Kaufman Borgeest & Ryan.