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Pryor Cashman Defeats Motion To Dismiss Made By Law Firm In Malpractice Case

Morrison Cohen's motion to dismiss a \$15 million legal malpractice suit filed against it by Mercantile Capital Partners Fund was denied on March 4, 2008 by Manhattan Supreme Court Justice Doris Ling-Cohan.

In the action filed by Pryor Cashman on behalf of its client, Mercantile Capital Partners Fund (Mercantile) alleged that Morrison Cohen (Morrison) failed to timely file documents needed to perfect its client's security interest on \$1.2 million in loans made by it to a children's furniture seller in 2005 and that subsequent assurances that the security interest had not been affected by the delay caused Mercantile to loan an additional \$300,000.

Mercantile alleges that 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.

Morrison, which did not deny its failure to timely file the perfection documents, moved to dismiss, arguing that such failure was not the proximate cause of Mercantile's losses. In denying the motion, the Court ruled that Mercantile had sufficiently alleged legal malpractice to survive a motion to dismiss. To read the full decision, please [click here](#).

Pryor Cashman litigation partner David C. Rose, along with associates Mark A Tamoshunas and Mario M. Choi, represent Mercantile in the litigation.

To read more about the case as reported by *The New York Law Journal* in its March 20, 2008 *Newsbriefs*, please [click here](#).