

## **Panel Says Deceit Claims Against Blank Rome Can Proceed**

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## **Body**

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A multimillion-dollar malpractice claim against the law firm **Blank Rome** can go forward, the Appellate Division, First Department, ruled Tuesday.

A unanimous panel affirmed Manhattan Supreme Court Justice Anil Singh's ruling in **Armstrong v. Blank Rome** LLP, 651881/13, that denied **Blank Rome**'s motion to dismiss the claim under Judiciary Law §487, which carries treble damages. It also declined to dismiss claims the firm called "scandalous."

"The complaint alleges numerous acts of deceit by defendants, committed in the course of their representation of plaintiff in her matrimonial action," the panel, comprised of Justices Rolando Acosta ([See Profile](#)), Richard Andrias ([See Profile](#)), David Saxe ([See Profile](#)), Leland DeGrasse ([See Profile](#)) and Rosalyn Richter ([See Profile](#)) said.

The Judiciary Law claim, which addresses deceitful practices by attorneys, had been pleaded with "sufficient particularity," the panel said.

Plaintiff Kristina **Armstrong** retained **Blank Rome**'s matrimonial partners Norman Heller and Dylan Mitchell, who also are named defendants, to represent her in her 2009 divorce from her husband, A. Michael **Armstrong**.

At the time, A. Michael **Armstrong** was a senior partner at Wall Street investment bank **Morgan Stanley**, which was a major **Blank Rome** client, and he participated in decisions regarding the hiring of outside counsel.

"It is undisputed that no disclosure of this concurrent professional engagement with **Morgan Stanley** was ever made to plaintiff, nor was any waiver thereof obtained from her," Singh noted in his March 2014 opinion.

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Kristina **Armstrong** filed suit in May 2013 alleging **Blank Rome** "threw her under the bus" by advising her to waive any claim to her ex-husband's securities license, despite a finding by an expert hired by **Blank Rome** that it was worth \$16 million.

Kristina **Armstrong** claimed damages of \$8 million on the grounds that she would have gotten half the license's value but for **Blank Rome**'s desire to avoid jeopardizing its lucrative relationship with **Morgan Stanley**.

At the time it was handling the divorce, **Blank Rome** was representing **Morgan Stanley** in a \$400 million financing, Singh's opinion noted.

"The First Department essentially is sending a message to New York attorneys to err on the side of caution when it comes to subjectively deciding, as was done here, whether the interests of one client conflict with another," said **Armstrong**'s attorney, Eric Stern, a partner at Sack & Sack.

Philip Touitou, a partner at Hinshaw & Culbertson, represented **Blank Rome**. He could not be reached for comment Wednesday.

The appeals panel said Singh had correctly found allegations that **Blank Rome** said were "scandalous" and should be stricken were "relevant to the legal malpractice claim" and would remain.

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