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Lowenstein, Ravin Settle \$42M Poaching Spat

By **Melissa Lipman**

Law360, New York (May 05, 2009) -- After three weeks at trial in a New Jersey court, Lowenstein Sandler PC has reached a deal with now-defunct Ravin Sarasohn Cook Baumgarten Fisch & Rosen PC in a \$42 million suit alleging that Lowenstein poached 15 attorneys from Ravin Sarasohn in 2000.

Ravin Sarasohn accepted Lowenstein's offer on Friday, according to attorney David Mazie of Mazie Slater Katz & Freeman LLC, who represents the plaintiff.

The parties told the Superior Court of New Jersey, Essex County, they had reached an agreement — the terms of which remained confidential — on April 27, the day that the plaintiff had been set to rest its case, Mazie said, adding that his client is "very pleased with the outcome of the case."

Though Lowenstein "conducted itself in a legal, ethical and proper manner throughout the process of bringing the group from Ravin Sarasohn to the firm in early 2000, it decided it was in the firm's best interest to settle and put this nine-year-old case behind it," a spokeswoman for the firm said.

Ravin Sarasohn accused Lowenstein of unfair competition by scheming to lure 15 bankruptcy lawyers and 16 staff in 2000, which the plaintiff argued led to the eventual destruction of the firm. The suit also included claims of intentional interference with existing contractual relations and interference with prospective economic advantage.

The scheme allegedly included Lowenstein acquisition of Ravin Sarasohn financial information to enable it to secretly target and solicit key attorneys and other personnel, according to the plaintiff.

The defunct firm also claimed that Lowenstein induced Ravin Sarasohn equity partners to break a 60-day notice provision; pressured attorneys and staff to move to Lowenstein by

creating an illusion that Ravin Sarasohn was a "sinking ship"; and announced the defection only after the lawyers were committed to Lowenstein, leaving Ravin Sarasohn with no means to retain its employees.

Ravin Sarasohn filed its complaint, which sought \$42 million in damages plus punitive damages, on June 30, 2000, against Lowenstein and three former Ravin Sarasohn equity members: Kenneth Rosen, Sharon Levine and Steven Brawer.

The lawsuit was stayed pending arbitration of related accusations against the individual attorneys.

Retired Judge Nicholas Politan conducted the arbitration, but no arbitration hearings had been held in seven years. The claims involving Levine and Brawer were settled, Ravin Sarasohn's claims against Rosen were withdrawn with prejudice, and Judge Politan awarded Rosen what was due to him under Ravin's equity partner agreement.

Lowenstein sought summary judgment, arguing that Ravin Sarasohn was collaterally estopped from prosecuting its claims against the firm because of the arbitration proceedings, which resulted in the claims against individual lawyers being settled or dismissed.

The court, however, rejected those claims earlier in 2009.

Ravin Sarasohn is represented by Mazie Slater Katz & Freeman LLC.

Lowenstein Sandler is represented by McElroy Deutsch Mulvaney & Carpenter LLP.

The case is Ravin Sarasohn Cook Baumgarten Fisch & Rosen PC v. Lowenstein Sandler PC, case number ESX-L-6327-00, in the Superior Court of New Jersey, Essex County.

--Additional reporting by Jacqueline Bell

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