

Kasowitz's Securities Work Not Presidential Caliber, Suit Says

By **Shayna Posses**

Law360, New York (July 12, 2017, 6:48 PM EDT) -- Kasowitz Benson Torres LLP has received recent notoriety since being tapped to represent President Donald Trump, but its attempt to collect almost \$1.1 million from a former client has triggered a dueling suit accusing the firm of engaging in "egregious misconduct" rather than providing the level of legal services expected from counsel to the president.

Kasowitz Benson came after Patriot National Inc. in New York state court in May, alleging that the insurance industry service provider retained the law firm for about a year in connection with several suits related to the sale of securities but has refused to cough up the money it owes.

However, the Fort Lauderdale-based company fired back June 30 with a Florida state court action accusing the firm of "all sorts of wrongdoing" in its handling of the litigation, like having its billers record absurd numbers of hours — including one who claimed to work 24 hours in a single day — and failing to secure approval from Patriot National's insurer.

"Instead of receiving legal services commensurate with a law firm that represents the president of the United States, the local company was subjected to fraudulent billings, malpractice, and other egregious misconduct that has caused millions of dollars in damages," Patriot National said.

President Trump **selected his longtime attorney** Marc Kasowitz to represent him in Russia-related investigations in late May. Kasowitz, a **litigation expert** with a reputation for being tough and effective at trial, has represented Trump in a variety of litigation matters for 15 years.

And while the fight with Patriot National has nothing to do with Kasowitz Benson's representation of Trump, the insurance industry service provider contended in its complaint that the legal services it received from the firm were far from the "top-flight representation that one would expect from the president's law firm."

Patriot National hired the firm in February 2016 to, among other things, defend it in lawsuits in New York federal court and Delaware Chancery Court stemming from its sale of securities, according to the firm's complaint.

When the company ended their relationship the following February, Kasowitz Benson asserted a lien on its legal file for the suits, then agreed to drop it when Patriot National promised to pay the remaining invoices shortly, the company's complaint says.

But Kasowitz Benson says that didn't happen; it claims that Patriot National has refused to cover its sizable unpaid balance even though the firm did everything it was supposed to under their agreements.

Patriot National, however, tells a different story in its complaint, saying the firm's representation was colored by "fraud, greed, extortion and other blatant misconduct."

It says the problems started at the very beginning. The firm knew what insurance coverage was available to the company and its officers and directors for the lawsuits and that the insurer hadn't

approved Kasowitz Benson as counsel, but it took no steps to fix the issue, according to Patriot.

As a result, the firm was removed and replaced, and the new attorneys had to quickly redo all the work Kasowitz Benson claims to have done for Patriot National at a substantial cost to the company, it contends.

In the midst of that rush to comply with court-ordered deadlines, Kasowitz Benson tried to hold Patriot National's files "hostage" until more payments were made, the company claims.

Ultimately, Patriot National says, the firm managed to bill more than \$3.4 million in attorneys' fees and costs during its short stint as the company's counsel. It says a review of the firm's invoices revealed significant improprieties like attributing far too many hours to tasks that didn't require much work.

Kasowitz Benson said in a statement Wednesday that Patriot National's claims are entirely without merit and an attempt to distract from the firm's own suit.

"All of our billing was entirely appropriate, covering expedited motion practice and discovery in three of the four cases in which we represented the company. Further, Patriot National never objected to any of our bills or work throughout our representation of it," the firm said. "We will vigorously defend our firm against Patriot National's frivolous claims, and look forward to resolving these issues in court."

William R. Scherer, who represents Patriot National, told Law360 on Wednesday, "I think their action in New York was somehow trying to make a claim up there in the face of our Fort Lauderdale claim that is far greater in significance."

In the firm's suit, Kasowitz Benson is represented by its own Joshua A. Siegel. Patriot National is represented by Peter B. Katzman of Mazzeo Song PC and Alexander V. Masotti of Conrad & Scherer LLP.

In Patriot National's suit, the company is represented by William R. Scherer and Albert K. Frevola Jr. of Conrad & Scherer LLP. Counsel information for the firm wasn't immediately available Wednesday.

The suits are Kasowitz Benson Torres LLP v. Patriot National Inc., suit number 154162-2017, in the Supreme Court of the State of New York, County of New York, and Patriot National Inc. v. Kasowitz Benson Torres LLP, suit number CACE-17-012521, in the 17th Judicial Circuit Court of the State of Florida.

--Additional reporting by Melissa Daniels and Aebrá Coe. Editing by Brian Baresch.

Update: This story has been updated to include an updated statement from the firm.