

# New York Law



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NEW YORK, TUESDAY, AUGUST 12, 20

## NEWS IN BRIEF

**Federal Judge Dismisses Claims Against Disciplinary Body**  
Southern District Judge Shira Scheindlin last week dismissed six lawsuits filed by pro se litigants claiming the disciplinary committee of the Appellate Division, First Department, had “whitewashed” complaints against lawyers. Judge Scheindlin had previously accepted all six cases as related to a \$ 10-million damages action brought against the committee by a lawyer who claimed she was fired after working for the committee for six years after she alleged her superiors had a “practice” of “whitewashing” complaints against “certain select attorneys.” Judge Scheindlin dismissed the six related cases brought by litigants with complaints against their lawyers because the committee, and lawyers working for it, are entitled to immunity. Discovery in the lawsuit brought by Christine Anderson, the lawyer who was fired in June 2007, is scheduled to be completed by the end of the month. With last week’s ruling in *Esposito v. State of New York*, 07 Civ. 11612, which will be published Friday, all the cases that had been accepted as related to Ms. Anderson’s have been dismissed. The First Department’s disciplinary committee handles ethics complaints filed against lawyers practicing in Manhattan and the Bronx. — *Daniel Wise*

### Cuomo Expands Auction-Rate Securities Probe

Attorney General Andrew Cuomo said yesterday he is expanding his investigation into the collapse of the auction-rate securities market to include JPMorgan Chase & Co., Morgan Stanley and Wachovia Corp. Last week, Mr. Cuomo’s office and the Securities and Exchange Commission reached settlements that forced Swiss bank UBS to repurchase \$18.6 billion in the securities, while Citigroup agreed to buy back \$7 billion of the securities. UBS will also pay a fine of \$150 million, while Citigroup will pay a \$100 million fine. “This is an industrywide problem,” Mr. Cuomo said in an interview. “This is not about one or two institutions. We are not looking for a scapegoat.”

## Jail and Fines Given to Solo Who Withheld Down Payment

BY MARK FASS

A BROOKLYN attorney who refused for more than two years to return a \$30,000 down payment in a failed real-estate deal, even after her client died and his estate engaged new counsel, has been sanctioned \$10,000 and ordered to pay more than \$40,000 in costs.

Solo-practitioner Regina Felton eventually returned the \$30,000, as well as more than \$6,000 in interest, in April 2008, after spending 11 days of a six-month sentence on Riker’s Island for civil contempt of court.

Last week, Brooklyn Supreme Court Justice Arthur M. Schack issued a written decision adding costs and imposing the maximum sanction for Ms.



## Mode In Law

BY MARK HAMBLETT

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to the U.S. Court of App Second Circuit.

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