



Eight Years On, Firms Still Fighting Ex-Comptroller Over Fees in Mayoral Bid

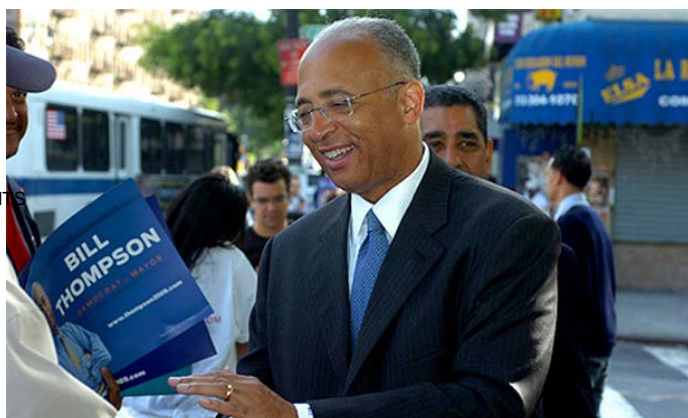
Christine Simmons, New York Law Journal

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Bill Thompson, former New York City comptroller

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Bill Thompson, New York City's former comptroller and a two-time mayoral candidate, is embroiled in litigation with two law firms over whether he and his campaign treasurer are personally liable for legal fee debts from a 2009 political campaign.

While the issue is before a New York appeals court in one case, Thompson and his campaign treasurer, James Ross, are suing Stroock & Stroock & Lavan in another case to permanently stay arbitration the firm brought against them for \$109,000 in unpaid fees.

"The arbitration to hold liable Thompson and James Ross is frivolous. There's no case law or statute that holds individuals responsible for the debt of political candidates or political organizations," said Frank Carone of Abrams, Fensterman, Fensterman, Eisman, Formato, Ferrara & Wolf, who represents Thompson and Ross.

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LAW FIRMS MENTIONED

- Abrams Fensterman Eisman
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"They [Stroock] know that, and we're going to litigate this as far as we need to make the sure the law is followed," Carone said.

Stroock partner James Bernard, who is representing his firm, declined to comment.

'Some Precedential Significance'

According to court records, Thompson's 2009 mayoral campaign—New Yorkers for Bill Thompson—engaged two law firms, 70-lawyer New Jersey-based Genova Burns and 275-lawyer New York-based Stroock.

Stroock was hired to act as general counsel for legal and ethical issues under city and state election laws. It also represented the campaign over ethical violations for [placing campaign posters on city-owned property](#), according to Stroock's arbitration demand. Genova Burns was retained for work on a post-election audit by the New York City Campaign Finance Board.

Ross, a name partner at the firm Ross & Hill, executed both law firm engagement agreements, identifying himself as treasurer for Thompson's campaign.

Genova Burns said in court records that Ross, Thompson and the campaign failed to pay the firm \$54,190 for legal services, even though the firm "achieved a remarkably successful outcome." Genova Burns argues that Thompson, now working at investment bank Siebert Brandford Shank, and Ross retained the firm as individuals and are personally liable for legal fees.

Manhattan Acting Supreme Court Justice Barry Ostrager initially urged the parties to come to a resolution on their own, predicting "some precedential significance to this decision." But Ostrager ultimately ruled in November 2015 that the only written agreement relating to Genova's legal services was executed by the treasurer of the campaign group on behalf of New Yorkers for Bill Thompson, and the law firm's only claim was against the political group.

Genova Burns has appealed to the Appellate Division, First Department, arguing the nature of the representation demonstrates that Thompson and Ross were represented in their individual capacities. "Thompson and Ross each faced personal liability for civil penalties if violations were found during the audit, and both fully understood this at all times," Genova Burns said in its appellate brief.

Warren Cooper, a spokesman for Genova Burns, said the firm's appellate brief speaks for itself, declining further comment.

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More 2009 Bills

While Thompson and Ross have been litigating with Genova Burns, they are also facing an arbitration demand by Stroock, served last year, also over unpaid bills from the 2009 campaign.

According to Stroock's arbitration papers, in January 2013, when Thompson had raised \$1.855 million for his second mayoral campaign, Stroock advised Ross that the firm's unpaid bills had to be quickly paid.

"The firm has been quite patient and no plan of payment has been offered by you or Billy [Thompson]. Now that a considerable amount of money has been raised, this bill needs to be paid," Stroock told Ross, according to arbitration papers.

As of July 2014—10 months after Thompson ended his 2013 mayoral campaign—his campaign reported that it had \$851,000 in assets.

Stroock's arbitration papers argue that despite the assets, Thompson and Ross have not authorized the campaign to transfer money to pay for Stroock's \$109,000 bill.

Thompson and Ross sued Stroock in early February to permanently stay the arbitration, just days after they argued their case opposite Genova Burns at the First Department in late January. They claimed they didn't agree to arbitration, and again argued that the retainer agreement was not signed on behalf of them individually.

At best, the only party that is subject to arbitration is the 2009 campaign, Thompson and Ross argued.

Brooklyn Supreme Court Justice Reginald Boddie on Feb. 7 signed an order temporarily staying the arbitration pending a hearing on the issue later this year.

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