

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

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CALLAN, KOSTER, BRADY & NAGLER, LLP,  
WARREN S. KOSTER, BRUCE M. BRADY,  
WILLIAM L. BRENNAN, and VINCENT A.  
NAGLER,

Index No.

Plaintiffs,

**SUMMONS**

- against -

PAUL F. CALLAN, MARTIN W. EDELMAN,  
and EDELMAN & EDELMAN, P.C.,

Plaintiffs designate New York  
County as the place of trial

Defendants.


The basis of venue is residence in  
New York County.

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To the above-named defendants:

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance on plaintiffs' attorney(s) within 20 days after the service of this summons, exclusive of the day of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York), and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York  
November 24, 2015

DAVIDOFF HUTCHER & CITRON LLP

By:   
Larry Hutcher  
Gabriel Edelman

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New York, New York 10158  
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TO: Paul F. Callan  
60 West 57th Street, Apt. 5B  
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Martin W. Edelman  
c/o Edelman & Edelman, P.C.  
61 Broadway, Suite 2220  
New York, New York 10006

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61 Broadway, Suite 2220  
New York, New York 10006

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WARREN S. KOSTER, BRUCE M. BRADY,  
WILLIAM L. BRENNAN, and VINCENT A.  
NAGLER,

Index No.

Plaintiffs,

- against -

**COMPLAINT**

PAUL F. CALLAN, MARTIN W. EDELMAN,  
and EDELMAN & EDELMAN, P.C.,

Defendants.  
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Plaintiffs Callan, Koster, Brady & Nagler, LLP (“CKB&N”), f/k/a Callan, Koster, Brady & Brennan, LLP and Callan, Koster, Brady, Brennan & Nagler, LLP, Warren S. Koster (“Koster”), Bruce M. Brady (“Brady”), William L. Brennan (“Brennan”), and Vincent A. Nagler (“Nagler,” and together with CKB&N, Koster, Brady, and Brennan, “Plaintiffs”), by and through their attorneys, Davidoff Hutcher & Citron LLP, by way of a Complaint against defendants Paul F. Callan (“Callan”), Martin W. Edelman (“Edelman”), and Edelman & Edelman, P.C. (“E&E,” and, together with Callan and Edelman, “Defendants”), allege and state as follows:

**NATURE OF THE ACTION**

1. Through a carefully conceived and executed plan, defendant Callan, a CNN legal analyst and self-styled “celebrity lawyer,” deliberately discarded his duties as a partner in order to defraud his former partnership of millions of dollars in fees for himself and his co-defendants. This deceitful conduct was in derogation of Callan’s ethical duties and the contractual obligations owed to his former partnership, CKB&N, and former partners, Koster, Brady, Brennan, and Nagler.

2. In short, while Callan was a partner of CKB&N, he was retained as co-counsel on a major contingency-fee case involving a claim of wrongful imprisonment. Callan lied to CKB&N about the nature of his engagement, claiming that it was a matter on which he would bill hourly and could generate up to \$20,000 in legal fees if the claim was successfully prosecuted. After Callan left CKB&N, his deception was revealed; that he had already been retained as counsel and had spent a considerable amount of time on this matter while a partner at CKB&N and that the hourly rate “consultation” arrangement was nothing more than a sham. This action seeks to recover Plaintiffs’ share of the legal fees generated in this case and a companion case which can exceed \$3,000,000, in addition to exemplary damages against Callan for abusing the trust placed in him as a partner in a law firm.

3. Callan’s betrayal of trust began in May 2013, when defendant Edelman approached him with the prospect of representing Jonathan Fleming (“Fleming”) in Fleming’s quest for exoneration from a 1990 conviction of second degree murder and release from 24 years of wrongful imprisonment.

4. Before Callan and Edelman could successfully land Fleming as a client, Fleming retained other counsel who later obtained a complete exoneration of Fleming and his release from prison in April 2014.

5. While Callan was still a partner at the firm, Edelman asked Callan, whom he dubbed “The Closer,” to aid him in inducing Fleming to drop his successful counsel and retain them instead. Enticed by Edelman’s promise to split a potential multi-million dollar wrongful-conviction claim against New York City, “The Closer” went to work.

6. Callan was instrumental in convincing Fleming to retain himself and Edelman, while simultaneously informing his partners that he would be withdrawing from CKB&N.

Callan specifically timed his withdrawal to abide by the firm's 90-day notice requirement, ensuring that his departure would occur as soon as feasible, while remaining completely mum regarding his ulterior motive to join his co-defendants in their contingency-fee case.

7. Adding insult to injury, during this 90-day waiting period, Callan informed the partnership that, because of his "fiduciary responsibility," he was required to disclose his association with Edelman as a consultant on criminal law and procedure for the amount of \$500 per hour, with the potential to generate up to \$20,000 in legal fees. No mention, of course, of the potentially multi-million dollar contingency-fee arrangement waiting for him once he felt free and clear to join with Edelman and Edelman's firm.

8. Callan held himself out as a faithful partner, all the while receiving substantial compensation from the partnership. Throughout and subsequent to his tenure with the firm, CKB&N lived up to its end of the bargain, paying Callan handsomely according to the requirements of the firm's Partnership Agreement. For example, after withdrawing from the firm, Callan continued to receive his medical benefits. Callan even got a share of a contingency-fee case CKB&N settled after he left, as per the explicit fee-sharing agreement between the partners.

9. Despite this compensation, Callan chose to grossly abuse his position by knowingly hoarding the benefits of his clandestine arrangement, in abrogation of his duties and the law.

10. Edelman and E&E were there every step of the way, even waiting to amend their retention agreement with Fleming to add Callan only when the timing was most opportune, i.e., after the 90-day notice period ended and Callan formally separated from CKB&N.

11. Callan's double-dealing is ironic, considering he holds himself out on public television, including appearances on stations such as CNN, as a so-called expert on attorneys' ethics.

12. Plaintiffs now seek redress to recover the monetary damages Plaintiffs suffered arising out of Defendants' reprehensible acts.

### **THE PARTIES**

13. Plaintiff CKB&N is a New York limited liability law partnership whose principal place of business is located at One Whitehall Street, New York, New York 10004.

14. Plaintiff Koster is an individual and licensed attorney who resides in Suffolk County and conducts business in the State and County of New York.

15. Plaintiff Brady is an individual and licensed attorney who resides in the State of New Jersey and conducts business in the State and County of New York.

16. Plaintiff Brennan is an individual and licensed attorney who resides and conducts business in the State and County of New Jersey.

17. Plaintiff Nagler is an individual and licensed attorney who resides in Westchester County and conducts business in the State and County of New York.

18. Defendant Paul F. Callan is an individual and licensed attorney who resides and conducts business in the State and County of New York.

19. Defendant Martin W. Edelman is an individual and licensed attorney who resides and conducts business in the State and County of New York.

20. Defendant Edelman & Edelman, P.C., is a New York professional corporation whose principal place of business is located at 61 Broadway, Suite 2220, New York, New York 10006.

## **JURISDICTION AND VENUE**

21. This Court has personal jurisdiction over Defendants pursuant to CPLR 301 since they reside within the State of New York, or pursuant to CPLR 302 as Defendants have transacted business within the State of New York.

22. Venue is proper in New York County pursuant to CPLR 503(a) because Defendants are residents of New York County.

## **FACTUAL ALLEGATIONS**

### **Callan's Duties Under The Partnership Agreement**

23. Plaintiff CKB&N is a limited liability partnership of lawyers, the equity partners of which currently include the individual plaintiffs, Warren S. Koster, Bruce M. Brady and Vincent A. Nagler.

24. In May 2013, the name of the firm was Callan, Koster, Brady & Brennan, LLP. At that time, the equity partners included Paul F. Callan, Warren S. Koster, Bruce M. Brady, William L. Brennan and Vincent A. Nagler.

25. On September 22, 2004, Callan signed the Callan, Koster, Brady & Brennan, LLP Partnership Agreement ("Partnership Agreement"), along with the other partners of Callan, Koster, Brady & Brennan, LLP.

26. The Partnership Agreement provided various duties by which the signatories were to abide, including their devotion of time to the partnership, management of the partnership, recording and accounting of time and work, as well as the limitations on the partners' business engagements, and procedures upon withdrawal of a partner.

27. Specifically, the Partnership Agreement provided in Section 4.1 that, “The partners shall devote their time, attention and influence to the affairs, advancement and benefit of the firm.”

28. The Partnership Agreement stated in Section 4.2 that, “Unless otherwise agreed by the Executive Committee, each partner shall account to the firm for all compensation received and attributable to his personal services related to the practice of law, including ... fees for legal services ....”

29. The Partnership Agreement further provided in Section 4.6 that, “if a partner for any reason fails to devote substantially his full time to partnership affairs, he shall be entitled to receive ... such share of future profits as shall be determined by a majority of the partners on the Executive Committee.”

30. The Partnership Agreement stated in Section 5.1 that “[t]he complete and sole management of the firm is hereby delegated to and vested in the safety of the Executive Committee,” with Section 5.2 identifying the members of the Executive Committee as Paul F. Callan, Warren S. Koster, Bruce M. Brady, William L. Brennan and Vincent A. Nagler.

31. The Partnership Agreement further provided in Section 7.1 that, “Each partner shall report daily the time devoted to, or fee to be charged for, all matters on which he works.”

32. The Partnership Agreement further provided in Section 9.2 that, “No partner shall engage in any business or occupation without the consent of the Executive Committee.”

33. The Partnership Agreement provided in Section 10.1(a) that, “...a partner may elect to retire by giving a 90-day notice to become effective either on the first day of the next fiscal year, or on the first day of the second half of the fiscal year in which the election to retire is made.”



34. The Partnership Agreement provided in Section 10.15 that, “any partner who retires pursuant to Section 10.1(a) ... shall continue to receive medical benefits, including spousal and family coverage, of the same kind and quality as the benefits received by the remaining partners.”

35. The Partnership Agreement specified in Article X the manner in which a withdrawing partner would receive payment for his equity share of the partnership assets as determined at the effective date of his withdrawal. The Partnership Agreement Section 10.13 defined “Accounts receivable” to “include unbilled as well as billed services and disbursements as shown by firm records.”

36. Throughout the existence of the firm, it was explicitly agreed among the partners that upon the withdrawal of any partner, the fee on any contingency-fee case on which the partnership or any individual partner had been retained on or before the effective date of the partner’s withdrawal would be distributed at the time the fee was realized and received by the partnership. This was to occur regardless of whether the fee was received after the partner’s withdrawal, regardless of the amount of time, if any, the withdrawing or remaining partners worked on the case, and regardless of which partner originated the retainer. Said distribution would be made on a pro rata basis based upon the percentage of capital ownership of the withdrawing partner on the effective date of withdrawal, whether or not the client remained a client of the partnership or became a client of the withdrawing partner after the effective date of withdrawal.

37. On August 25, 2014, Addendum F was added to the Partnership Agreement, which changed the name of firm to Callan, Koster, Brady, Brennan & Nagler, LLP. Callan was a signatory to this Addendum.

38. On December 31, 2014, the equity partners of the firm were Paul F. Callan, Warren S. Koster, Bruce M. Brady, William L. Brennan and Vincent A. Nagler.

39. On January 7, 2015, Addendum G was added to the Partnership Agreement which reflected the withdrawal of Paul F. Callan and William L. Brennan as partners and which changed the name of the firm to its current name, Callan, Koster, Brady & Nagler, LLP.

**Defendants' Malfeasance**

40. In May of 2013, Callan was contacted by Edelman in connection with the latter's efforts to obtain the exoneration of an individual, Jonathan Fleming ("Fleming"), from a 1990 conviction of second degree murder and his release from 24 years of wrongful imprisonment.

41. Fleming consistently maintained his innocence for the murder and over the course of the next 24 years fought to obtain his freedom.

42. Upon information and belief, in his efforts to obtain his exoneration, Fleming enlisted the aid of investigators, Robert Rahn ("Rahn") and Kim Anklin ("Anklin") of Management Resources Ltd. of NY.

43. Upon information and belief, on or before May 2013, Rahn and/or Anklin contacted Edelman to request his assistance in obtaining Fleming's exoneration and release from prison.

44. Over the course of several weeks, Edelman and Callan had numerous email exchanges, telephone conversations and meetings to explore the possibility of engaging Callan to represent Fleming in the effort to obtain his exoneration and freedom.

45. On May 15, 2013, Callan received a letter from Stacey Fleming, Jonathan Fleming's wife, requesting that Callan accept representation of her husband.

46. On or about May 17, 2013, Edelman arranged a meeting with Stacey Fleming, Rahn, and Callan to explore the possibility of engaging Callan in the efforts to obtain Fleming's exoneration.

47. On or about February 22, 2014, Fleming retained Anthony Mayol, Esq. ("Mayol") and Taylor Koss, Esq. ("Koss") of Everett & Everett, PLLC to represent him in his effort to obtain exoneration and to prosecute his claim for wrongful conviction and imprisonment.

48. On April 8, 2014, with the consent of the Kings County District Attorney's Office, Fleming was completely exonerated and was released from prison after 24 years.

49. In June 2014, Fleming's then attorneys, Mayol and Koss, filed a Notice of Claim with the City of New York, naming the City, the NYPD and the Kings County District Attorney's Office as defendants, in order to recover damages for his wrongful conviction and imprisonment.

50. On or before September 29, 2014, Edelman contacted Callan to request his assistance in representing Fleming in a civil lawsuit against the City of New York and the State of New York for his wrongful conviction.

51. On September 29, 2014, Callan, without the knowledge of his partners, met with Edelman at E&E to discuss their joint representation of Fleming in the prosecution of a wrongful conviction action.

52. On or before September 29, 2014, Callan and Edelman reached an agreement whereby Callan would withdraw from the partnership without disclosing his association with Edelman and Callan's engagement on the Fleming matter.

53. Callan began executing this plan in violation of his fiduciary duty to his partners and in violation of the Partnership Agreement, by not disclosing his meeting with Edelman and his engagement and work on the Fleming matter.

54. On October 2, 2014, Callan orally notified his partners of his intention to withdraw from the firm, effective January 1, 2015. Callan followed this up on October 3, 2014 with an e-mail notification of his intention to withdraw from the firm.

55. Callan announced his intention to withdraw from the firm so abruptly in order to ensure that the effective date of his withdrawal would be January 1, 2015, instead of July 1, 2015, in accordance with the 90-day notice requirement for withdrawing partners under Section 10.1(a) of the Partnership Agreement, and so that he could begin receiving the benefits due a withdrawing partner while working on the Fleming matter.

56. Callan informed his partners that he wanted to pursue his “media career” with CNN and to possibly pursue relationships with other law firms. Callan, in violation of his fiduciary duty to his partners and in violation of the Partnership Agreement, did not inform his partners of the business opportunity that Edelman presented to him before or during their meeting on September 29, 2014.

57. After October 3, 2014, Callan and his partners discussed a continuing “Of Counsel” relationship between Callan and the firm. Callan still did not disclose the business opportunity that Edelman and E&E presented to him.

58. Commencing immediately after October 3, 2014, Callan and Edelman began the process of inducing Fleming to discharge his then-current attorneys, Mayol and Koss, and to retain defendants Callan, Edelman, and E&E. To this end, Callan and Edelman researched the elements of proof required to establish a claim for unjust conviction and imprisonment under

Court of Claims Act § 8-b, researched the value of similar claims throughout the country, and met with Fleming to promote their expertise and capabilities to handle wrongful conviction claims.

59. On October 31, 2014, Edelman sent an email to Callan, under the subject heading, “Your letter-the clincher,” in which Edelman addressed Callan as “Paul a/k/a The Closer.” The purpose of the referenced letter was to finally convince Fleming to discharge his then-current attorneys, Mayol and Koss, and to retain Callan and Edelman.

60. On November 3, 2014, Callan outlined in an email to his partners his proposed terms of an “Of Counsel” relationship with the firm that would go into effect after his withdrawal from the partnership. In this email, Callan once more failed to disclose his relationship with Edelman, his retention by Fleming in connection with the wrongful conviction actions, or the extensive work he had already done on the Fleming matter.

61. Upon information and belief, on or about November 6, 2014, Fleming retained Edelman, E&E and Callan to represent him in his wrongful conviction and imprisonment claims.

62. On November 6, 2014, Edelman, in an email to a legal funding source, reported that, “After an extensive audition among the top personal injury and criminal defense lawyers, Jonathan Fleming, who was wrongfully convicted of murder and spent 24 years in jail, has decided to retain my firm and Paul Callan [http://www.ckbblaw.com/att\\_pcallan.html](http://www.ckbblaw.com/att_pcallan.html) a former Assistant District attorney, celebrity lawyer, and CNN legal analyst to represent him [in] [sic] a 1983 action (42 USCA § 1983) against the City of New York which we plan to file in the Federal Court as well as an action in the Court of Claims under the Unjust Conviction and Imprisonment Act. Paul and I have been friends for years and since [this] [sic] is my first wrongful conviction case, I thought it prudent to team up with Paul.”

63. On November 6, 2014, Edelman requested that Callan assist him in the drafting of a retainer statement for the representation of Fleming in his wrongful conviction actions by reviewing and commenting on Edelman's exemplar contingency-fee retainer. On the same date, Edelman requested that Callan obtain an exemplar retainer "from your friends in the Central Park Jogger case." Previously, Callan, while a partner in the firm, had been retained to represent two non-party witnesses in the wrongful conviction action brought by the five men originally convicted in the infamous "Central Park Jogger" case.

64. When Callan finally alerted his partners to the Fleming matter, he did so in a fraudulent and deliberately misleading manner.

65. In an email to his partners on November 19, 2014, Callan advised his partners that he had been asked by Edelman to "consult with him and his investigators and client, Jonathan Fleming about criminal law and procedures as it relates to homicide investigations." He advised his partners that Edelman would agree to pay the firm \$500 per hour for Callan's time and that he could "easily generate \$20,000 in billables at this hourly rate." Callan explicitly acknowledged his fiduciary duty to his partners by stating that, "As I remain a partner in the firm through December 31, 2014, my fiduciary responsibility to you requires the discussion of this potential billing arrangement."

66. Despite this acknowledgement, Callan did not disclose that he had been approached by Edelman before he announced his withdrawal from the partnership, that he had agreed with Edelman to jointly represent Fleming before he announced his withdrawal from the partnership, that he had already done an extensive amount of work on the Fleming matter, that the work he had done on the Fleming matter involved the details of the civil actions and not "criminal law and procedures as it relates to homicide investigations," that he was instrumental

in convincing Fleming to discharge his then-current attorneys and that Fleming had already retained both the E&E firm and Callan to pursue his wrongful conviction claims.

67. Upon information and belief, between October 31, 2014 and November 19, 2014, Fleming signed a retainer statement with the E&E law firm.

68. Upon information and belief, Edelman and Callan agreed that Callan would not be listed on the retainer statement until after the effective date of his withdrawal from the firm in order to continue the subterfuge that Callan was only working as a consultant at \$500.00 per hour, and to avoid his “fiduciary responsibility” to his partners.

69. In furtherance of this subterfuge, Callan made two lump sum billing entries, one on November 30, 2014 and the other on December 31, 2014, each for 20 hours. These billing entries did not report daily the time he devoted to the Fleming matter, in violation of Section 7.1 of the Partnership Agreement which required that each partner “report daily the time devoted to, or fee to be charged for, all matters on which he works.” Not coincidentally, these billing entries produced the exact amount of “billables” Callan predicted in his email of November 19, 2014.

70. On January 1, 2015, Callan’s withdrawal from the firm became effective.

71. On January 7, 2015, Addendum G was added to the Partnership Agreement which reflected the withdrawal of Callan and Brennan as partners and Callan’s continued relationship with the firm in an “Of Counsel” capacity, and which changed the name of the firm to Callan, Koster, Brady & Nagler, LLP.

72. On February 1, 2015, and monthly thereafter, CKB&N, in good faith and without knowledge of the true nature of Callan’s engagement on the Fleming matter, began paying Callan his monthly “buyout” disbursements pursuant to Article X of the Partnership Agreement, and continued to provide medical benefits for Callan, “including spousal and family coverage, of

the same kind and quality as the benefits received by the remaining partners.” In honor of its obligations, CKB&N continued to pay Callan his monthly “buyout” disbursements until it discovered Callan’s betrayal of trust.

73. Upon information and belief, Fleming’s retainer with Edelman & Edelman was amended to include Callan as co-counsel in early February 2015.

74. On February 5, 2015, Callan and Edelman filed a complaint in the Court of Claims against the State of New York asserting a claim for unjust conviction and imprisonment under Court of Claims Act § 8-b.

75. In May 2015, CKB&N settled a contingency-fee case on which the firm had been retained in February 2013. Callan neither originated the case nor performed any work on the case. On May 12, 2015 CKB&N distributed to Callan his pro rata share of the partnership fee based upon the percentage of his capital ownership on the effective date of his withdrawal, pursuant to the agreement set forth in paragraph 36 above. Callan accepted and deposited this distribution.

76. On June 25, 2015, Jonathan Fleming settled his claim against the City of New York, et al. for \$6,250,000. This settlement generated a fee of approximately \$2,000,000 for Callan, Edelman, and E&E.

77. To date, Callan has retained his portion of the fee generated by the Fleming settlement and has failed to remit to the partnership its share of the fee.

78. As of the date of this Complaint, the action against the State of New York is still pending in the Court of Claims.

79. The plaintiffs did not discover the timing of Callan’s involvement in the Fleming matter, and the true nature of his engagement in the matter, until approximately October 2015.



**AS AND FOR A FIRST CAUSE OF ACTION**  
**(BREACH OF FIDUCIARY DUTY/FAITHLESS SERVANT)**  
**(By Plaintiffs Against Callan)**

80. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs hereof as if set forth in full herein.

81. As a partner at Plaintiff CKB&N, Callan owed Plaintiffs fiduciary duties including the duties of good faith, loyalty and candor, duties that Callan explicitly acknowledged.

82. Due to Callan's deceptive conduct and fraudulent acts described above, Callan breached his fiduciary duties to the Plaintiffs, and was faithless in his performances in his services for Plaintiffs.

83. Callan has taken these actions intentionally and with malicious disregard for his fiduciary duties owed to Plaintiffs.

84. As a direct and proximate result of Callan's breaches of his fiduciary duties, Plaintiffs suffered substantial financial loss.

85. By virtue of the foregoing, Callan should be held liable to Plaintiffs in an amount to be determined at trial, in addition to interest accrued and accruing, including, but not limited to, forfeiture and disgorgement of his rights to all benefits and compensation from the time that he began breaching his fiduciary duties.

86. By reason of the foregoing willful and wanton acts, Callan should additionally be held liable for punitive damages in an amount to be proven at trial.

**AS AND FOR A SECOND CAUSE OF ACTION**  
**(BREACH OF CONTRACT)**  
**(By Plaintiffs Against Callan)**

87. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs hereof as if set forth in full herein.

88. The Partnership Agreement, entered into by Callan on September 22, 2004, is a valid and enforceable agreement, which required Callan to, among other things: (i) devote his time, attention and influence to the affairs, advancement and benefit of the firm; (ii) account to the firm for all compensation received and attributable to his personal services related to the practice of law, including billed and unbilled fees for legal services; (iii) to devote substantially his full time to partnership affairs; (iv) to report daily the time devoted to, or fee to be charged for, all matters on which he worked; and (v) to not engage in any business or occupation without the consent of the firm's Executive Committee.

89. Additionally, the Plaintiffs and Callan had an explicit fee-sharing agreement whereby upon the withdrawal of any partner, the fee on any contingency-fee case on which the partnership or any individual partner had been retained on or before the effective date of the partner's withdrawal would be distributed at the time the fee was realized and received by the partnership, regardless of whether the fee was received after the partner's withdrawal. Said distribution would be made on a pro rata basis based upon the percentage of capital ownership of the withdrawing partner on the effective date of withdrawal, whether or not the client remained a client of the partnership or became a client of the withdrawing partner after the effective date of withdrawal.

90. In return, Callan received various forms of financial compensation from Plaintiff CKB&N, including receiving shares of the firm's accounts receivable both during and after his

tenure as per the Partnership Agreement and fee-sharing agreement, as well as medical benefits after his withdrawal from the firm.

91. Due to Callan's deceptive conduct and fraudulent acts described above, Callan materially breached his contract with the Plaintiffs.

92. As a direct and proximate result of Callan's breaches of contract, Plaintiffs suffered substantial financial loss.

93. By virtue of the foregoing, Callan should be held liable to Plaintiffs in an amount to be determined at trial, in addition to interest accrued and accruing.

**AS AND FOR A THIRD CAUSE OF ACTION**  
**(FRAUD)**  
**(By Plaintiffs Against Callan)**

94. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs hereof as if set forth in full herein.

95. Callan engaged in numerous deliberate falsehoods, including, at minimum, failing to inform the partnership of the nature of his engagement in the Fleming matter, failing to inform the partnership of the extent of time and effort he devoted to the Fleming matter during his tenure as a partner in the firm, failing to inform the partnership of his contingency-fee arrangement with Edelman and E&E, deliberately misleading the partnership by describing his fee arrangement as hourly, and by submitting false billing entries regarding his time spent on the Fleming matter.

96. These falsehoods were of a material nature, having a direct bearing upon Callan's relationship with and payments withheld from or received from his firm.

97. Callan knowingly entered into these falsehoods, with a specific intent to deceive Plaintiffs, as demonstrated by, among other things, Callan's deliberately false description to the

Plaintiffs of the fee arrangement he entered into with co-defendants Edelman and E&E, and the deliberate timing of Callan's falsehoods to coincide with the firm's 90-day notice requirement for withdrawal from the partnership.

98. Callan deceived Plaintiffs with the intent that Plaintiffs would rely upon his falsehoods, continuing to compensate Callan under the Partnership Agreement, without seeking due compensation for the work Callan was performing, and adding addendums to the Partnership Agreement that were to the benefit of Callan.

99. Plaintiffs relied upon Callan to act truthfully, as per their right under the Partnership Agreement, and therefore Plaintiffs continued to treat Callan as a loyal and upstanding member of the firm, continued to compensate Callan before and after his withdrawal from the firm and even granted him status as "Of Counsel" with CKB&N subsequent to Callan's withdrawal from the firm.

100. Due to Callan's deceptive conduct and fraudulent acts described above, Callan directly and proximately caused Plaintiffs substantial financial loss.

101. By virtue of the foregoing, Callan should be held liable to Plaintiffs in an amount to be determined at trial, in addition to interest accrued and accruing.

**AS AND FOR A FOURTH CAUSE OF ACTION**  
**(AIDING AND ABETTING BREACH OF FIDUCIARY DUTY)**  
**(By Plaintiffs Against Edelman and E&E)**

102. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs hereof as if set forth in full herein.

103. Callan breached his fiduciary duties to Plaintiffs, as previously demonstrated.

104. Edelman and E&E knew of Callan's fiduciary duties owed to Plaintiffs.

105. Edelman and E&E also knew of and encouraged Callan's breaches of his fiduciary duties, as evidenced by, at minimum, Callan's decision to conceal his engagement on the Fleming matter until after he announced his retirement from the firm, Callan's belated and fraudulent misrepresentation of the nature of his engagement on the Fleming matter and Callan's and Edelman's agreement to not list him on their retainer statement with Fleming until after the effective date of Callan's withdrawal from the partnership.

106. Edelman and E&E substantially and knowingly assisted and participated in Callan's breaches, having enticed him into the contingency-fee arrangement, and by withholding information regarding this arrangement until the timing was most opportune for Callan.

107. Due to the deceptive conduct and fraudulent acts described above, Edelman and E&E directly and proximately caused Plaintiffs substantial financial loss.

108. By virtue of the foregoing, Edelman and E&E should be held liable to Plaintiffs in an amount to be determined at trial, in addition to interest accrued and accruing.

109. By reason of the foregoing willful and wanton acts, Edelman and E&E should be held liable to Plaintiffs for punitive damages in an amount to be proven at trial.

**AS AND FOR A FIFTH CAUSE OF ACTION  
(TORTIOUS INTERFERENCE WITH CONTRACT)  
(By Plaintiffs Against Edelman and E&E)**

110. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs hereof as if set forth in full herein.

111. The Partnership Agreement was a valid contract entered into between Callan and Plaintiffs, as previously demonstrated.

112. Edelman and E&E were aware of and intentionally induced Callan to breach the Partnership Agreement, as evidenced by, at minimum, their withholding of information

regarding their contingency-fee arrangement in order to aid Callan in attempting to avoid the requirements of the Partnership Agreement.

113. Due to the deceptive conduct and fraudulent acts described above, Edelman and E&E tortuously interfered with Callan's contract with the Plaintiffs.

114. As a direct and proximate result of Edelman's and E&E's tortuous interference with Callan's contract with the Plaintiffs, Plaintiffs suffered substantial financial loss.

115. By virtue of the foregoing, Edelman and E&E should be held liable to Plaintiffs in an amount to be determined at trial, in addition to interest accrued and accruing.

**AS AND FOR A SIXTH CAUSE OF ACTION  
(AIDING AND ABETTING FRAUD)  
(By Plaintiffs Against Edelman and E&E)**

116. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs hereof as if set forth in full herein.

117. Callan fraudulently deceived the Plaintiffs, as detailed above.

118. Edelman and E&E knew of and substantially assisted this fraud by, among other acts, encouraging Callan to fraudulent misrepresent his engagement on the Fleming matter as that of an hourly consultant and conspiring with Callan to withhold information regarding the contingency-fee arrangement between them and Callan until the timing was most opportune for Callan.

119. Due to the deceptive conduct and fraudulent acts described above, Edelman and E&E directly and proximately caused Plaintiffs substantial financial loss.

120. By virtue of the foregoing, Edelman and E&E should be held liable to Plaintiffs in an amount to be determined at trial, in addition to interest accrued and accruing.

**AS AND FOR A SEVENTH CAUSE OF ACTION**  
**(ACCOUNTING)**  
**(By Plaintiffs Against Callan, Edelman, and E&E)**

121. Plaintiffs repeat and reallege each and every allegation contained in each of the foregoing paragraphs hereof as if set forth in full herein.

122. Defendants' breaches of duty and misconduct require an accounting to determine the full extent of the damages Plaintiffs have suffered.

123. As a former partner at CKB&N, there was a confidential and fiduciary relationship between Plaintiffs and Callan, and Edelman and E&E aided and abetted in Callan's breach of this relationship. Given the breaches of that duty described herein, Plaintiffs are entitled to a full equitable accounting of all monies owed to Plaintiffs, including, but not limited to, the fees received by Defendants for their settlement against the City of New York and pending settlement against the State of New York.

**WHEREFORE**, Plaintiffs Callan, Koster, Brady & Nagler, LLP, Koster, Brady, Brennan, and Nagler demand judgment against Defendants Paul F. Callan, Martin W. Edelman, and Edelman & Edelman, P.C. as follows:

(a) On the first cause of action for breach of fiduciary duty and under the faithless-servant doctrine, awarding Plaintiffs compensatory and punitive damages against Callan in an amount to be determined at trial;

(b) On the second cause of action for breach of contract, awarding Plaintiffs compensatory damages against Callan in an amount to be determined at trial;

(c) On the third cause of action for fraud, awarding Plaintiffs compensatory damages against Callan in an amount to be determined at trial;

(d) On the fourth cause of action for aiding and abetting Callan's breaches of fiduciary duty, awarding Plaintiffs compensatory and punitive damages against Edelman and E&E in an amount to be determined at trial;


(e) On the fifth cause of action for tortious interference with contract, awarding Plaintiffs compensatory damages against Edelman and E&E in an amount to be determined at trial;

(f) On the sixth cause of action for aiding and abetting fraud, awarding Plaintiffs compensatory damages against Edelman and E&E in an amount to be determined at trial;

(g) On the seventh cause of action for an accounting, ordering Defendants to provide all of the financial information necessary to determine the extent of damages caused by their actions;

(h) Awarding Plaintiffs the costs and disbursements of this action, including reasonable attorneys' fees, and for such other and further relief as the Court may deem just and proper.

Dated: New York, New York  
November 24, 2015

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