



Portfolio Media, Inc. | 111 West 19th Street, 5th floor | New York, NY 10011 | www.law360.com
Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Manhattan DA Investigating 'Missing' NYC Real Estate Atty

By **Emma Whitford**

Law360 (April 9, 2021, 8:32 PM EDT) -- The Manhattan District Attorney's Office is investigating a city real estate attorney who has allegedly gone missing along with millions in client funds, a source familiar with the probe told Law360.

District Attorney Cyrus Vance Jr.'s office has an active investigation into reports that Mitchell Kossoff, managing partner of Manhattan firm Kossoff PLLC, has misused client funds, the source said.

The inquiry comes as at least four parties filed papers Friday in New York state court laying out amounts allegedly owed by Kossoff and related entities, with one saying that Kossoff is facing both state and federal investigations.

Louis P. Giordano of Manhattan firm Giordano Glaws & Fenstermacher LLP said in a letter submitted Friday to state Supreme Court Judge Jennifer Schecter in Manhattan that he is a Kossoff client and that Kossoff is "currently being investigated by the New York County District Attorney's office and EDNY with regard to theft of funds, escrow deposits" and other client funds.

"I cannot confirm or deny the existence of any investigation," John Marzulli, a spokesperson for the U.S. Attorney's Office for the Eastern District of New York, told Law360 by email.

The Manhattan DA's office also declined to comment Friday.

Court records show at least seven state court actions have been filed against Mitchell Kossoff since Wednesday, five of which list his firm as a co-defendant.

The Real Deal first reported Wednesday on Kossoff's apparent disappearance, which has left multiple clients frantic about the whereabouts of various funds. Kossoff PLLC did not reply to multiple requests for comment. Mitchell Kossoff himself could not be reached for comment.

Kossoff PLLC describes itself on its website as a "full service real estate firm" with 30 attorneys handling litigation and transactions.

"Our firm's litigation practice primarily consists of representing landlords in both judicial and administrative forums," the website states.

Giordano's submission, partly titled "Request to be included on Conference/Oral Argument," is in a case filed Wednesday by SSM Realty Group II, a Huntington, New York, firm seeking \$1.3 million that it says it transferred to a Kossoff PLLC account. Mitchell Kossoff allegedly stopped communicating with SSM as of April 1.

"Defendant Mitchell's partners at Kossoff PLLC have informed plaintiff's representatives that he is 'missing' and they cannot reach him or his family," the complaint said.

A hearing has been scheduled in the SSM suit for Monday. On Friday afternoon, Decker Associates and 118 Duane LLC sought to intervene in the case, saying they have \$3.22 million in escrow with Kossoff and his firm "who have not only failed to return the proceeds, but have gone dark." Their

counsel did not immediately respond to a request for comment.

According to Giordano's Friday letter, he and his wife are currently out \$250,000 to Kossoff. "While my wife and I have not yet filed an action, we were clients of Mr. Kossoff and he was holding \$250,000 of our money in his firm IOLA [Interest on Lawyers Trust Accounts] account," he wrote. "We were notified late this week by Mr. Kossoff's firm of the theft of our funds by Mr. Kossoff from the IOLA account."

IOLA accounts are special trust accounts that New York lawyers maintain. Interest from the accounts is pooled to provide legal representation to low-income clients in civil cases, according to New York's IOLA Fund website.

Reached by phone Friday, Giordano declined to comment beyond the contents of his letter.

In a separate New York state Supreme Court case filed Friday, plaintiff Heiner Friedrich said that Kossoff and his firm "refused to turn over funds in the custody of Kossoff LLC as escrowee."

According to the complaint, Friedrich retained Kossoff's firm in September to help him settle a case.

Friedrich said that he wired \$291,000 into a Kossoff-managed fund in February with the understanding that the money would be used to pay the settlement. But the settlement was never finalized, and Friedrich is now seeking at least \$291,000 in damages.

"On Wednesday evening April 7, 2021, attorney Joe Goldsmith, Esq. of Kossoff PLLC contacted plaintiff's son by phone to advise that Kossoff had disappeared and that the whereabouts of the escrowed money was unknown," the complaint says.

Eduardo Fajardo of De Lotto & Fajardo LLP, counsel for Friedrich, declined to comment to Law360 Friday.

Also on Friday, World Global Fund LLC filed an affidavit in New York state court saying that Mitchell Kossoff and co-defendant TenanTracers defaulted on a payment agreement on March 3 and owe the plaintiff \$535,829.06. Kossoff is the principle of TenanTracers, according to the filing.

According to its website, TenanTracers offers investigative services for landlords.

"If you suspect your tenants aren't really living in their rent-regulated apartments, Contact us," the website says. "We'll help you find out where they really live and help you identify who is actually living in their apartments."

TenanTracers did not immediately respond to a request for comment. Counsel for World Global Fund also did not immediately reply to a request for comment.

SSM Realty is represented by Thomas J. McGowan and Stephen William Livingston of Meltzer Lippe Goldstein & Breitstone LLP.

Decker Associates LLC and 118 Duane LLC are represented by Bruce H. Lederman and Eric R. Garcia of D'Agostino Levine Landesman Lederman Rivera & Sampson LLP.

World Global Fund LLC is represented by Edward W. Miller.

Heiner Friedrich is represented by Eduardo Fajardo of De Lotto & Fajardo LLP.

Counsel information for Kossoff, Kossoff PLLC and TenanTracers was not immediately available.

The cases are SSM Realty Group II LLC v. Kossoff PLLC et al., case number 652305/2021, World Global Fund LLC v. Tenantracers, LLC d/b/a Tenantracers et al., case number unassigned, and Heiner Friedrich v. Kossoff PLLC et al., case number 153465/2021, all in the Supreme Court of the State of New York, County of New York.

--Additional reporting by Frank G. Runyeon. Editing by Jill Coffey.