

Kelley Drye Obtains Dismissal of Appeals for State Street Bank

March 16, 2004

Two victories attained by Kelley Drye on behalf of State Street Bank and Trust Company were affirmed when the oppositions' appeals of dismissals of two separate actions, arising out of fraudulent acts by former borrower Sharp International Corporation, were rejected by the courts. Kelley Drye successfully argued, among other things, that a senior lender has no duty to alert other investors to its misgivings about a credit. In addition, in both decisions, the Courts held that, absent an independent fiduciary duty to act, inaction or "failure to act" cannot create aider and abettor liability against a lending bank.