

MARKS & WEINBERG, P.C.

Pitney Bowes v. Manufacturers Bank 1997 WL 289680 (USDC Conn. 1997)

Broker arranged a sublease for lessee (Pitney Bowes) and is responsible for invoicing lessee for difference between lease and sublease rentals. Broker messes up the invoices and, eventually, pays lessor about \$64,000. Broker files for Chapter 11 within 90 days after collecting and remitting the \$64,000 and the bankruptcy court tries to get the funds back as a voidable preference. Lessor incurs over \$69,000 of legal fees in successfully defending its right to the \$64,000 rent.

Lessor sues Pitney Bowes under the general indemnity in the lease, claiming that the indemnity is broad enough to include this unusual action. The court finds that the general indemnity (which is pretty much standard language) was, in fact, broad enough to include even this action between broker (in bankruptcy) and lessor. Lessee is tagged with a \$69,000 additional payment.

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