

---

# Hughes Hubbard & Reed

## Hughes Hubbard Leads Nursing Group to Triumph Over Subsidiary

News & Events | Deals & Matters

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership  
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. Readers are advised that prior results do not guarantee a similar outcome. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. For information regarding the selection process of awards, please visit <https://www.hugheshubbard.com/legal-notices-methodologies>.

---

Hughes Hubbard & Reed helped the National League for Nursing (NLN) prevail in a battle for control of its subsidiary, the National League for Nursing Accrediting Commission (NLNAC).

On July 30, 2013 New York Supreme Court Judge Anil Singh granted the NLN a preliminary injunction that prevents NLNAC's board of directors from taking control of the company away from the NLN. Judge Singh also found that NLNAC breached its trademark and sublease contracts and NLNAC owes the NLN over \$2 million pursuant to the contracts.

Established in 1893, the NLN is the country's largest membership organization for nurse educators with 38 thousand individual and 1,200 institutional members. The NLN launched NLNAC as a nonprofit subsidiary in 2001 to meet a requirement in the federal law governing student aid programs that accrediting functions be "separate and independent" from an affiliated professional organization.

In 2003, the NLN and NLNAC entered into several agreements that, among other things, granted NLNAC a license to use the NLN's trademarks in exchange for royalties and allowed NLNAC to sublease space leased by the NLN in New York.

In 2011, NLNAC stopped making payments under the contracts and sued the NLN in Georgia to avoid its obligations. The NLN countered with a suit of its own in New York, and a forum battle established that New York was the proper venue.

In his ruling, Judge Singh held that NLNAC is bound by the Not-for-Profit Corporation Law, which required the NLN's vote and consent to any amendments. Judge Singh added that the NLN is likely to succeed on the merits of its claim that NLNAC's actions violated that law.

"The equities balance in the favor of NLN, which seeks to enforce its rights under the corporate governing documents," Judge Singh wrote.

Jim Fitzpatrick, Ken Lefkowitz, Jonathan Misk and Greta Fails represented the NLN. Fitzpatrick and Lefkowitz argued the motion.

## **Related People**



**James C. Fitzpatrick**



**Kenneth A. Lefkowitz**