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Bird Marella Prevails in $60M Breach of Fiduciary Duty Trial After Four-Year Legal Battle

After four years of litigation and a three-week trial, Bird Marella lawyers Mark Drooks, Tom Reichert, and Cameron Partovi won a breach of fiduciary duty and breach of contract case on behalf of three private equity firms, two of their principals, and two other individuals named as defendants.

The plaintiff, another investment firm, sued the clients in connection with the demise of a portfolio company. The company went through a foreclosure and the plaintiff and some of Bird Marella's clients competed to purchase the assets. The plaintiff, the losing bidder, sued Bird Marella's clients after some of the clients formed a company that succeeded in purchasing the assets out of foreclosure.

The plaintiff alleged ten causes of action, both derivatively and directly, including breach of fiduciary duty, breach of contract, and conversion, and sought over $60 million in damages.

Following a nearly three-hour hearing on a motion for judgment filed after the plaintiff rested its case, Judge Jeffrey S. Ross of San Francisco Superior Court granted Bird Marella's motion in its entirety, finding that the plaintiff failed to meet its burden at trial to introduce sufficient evidence to substantiate its claims.