BIRD MARELLA LLP

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# Bird Marella Prevails on Motion to Quash for Lack of Personal Jurisdiction on Behalf of National Law Firm

Principals Mark Drooks and Sharon Ben-Shahar Mayer successfully quashed service on a national law firm in a case alleging aiding and abetting of securities fraud, breach of fiduciary duty, and professional negligence in connection with a purported billion-dollar Ponzi scheme.

The plaintiff was a trustee of a trust created through the bankruptcy of a now defunct real estate investment trust. The bankrupt enterprise, which allegedly was based in California, was allegedly the vehicle for a five-year scheme in which thousands of investors lost over a billion dollars due to fraudulent commercial mortgage products. Seeking millions in damages, the plaintiff, an assignee of claims from over 4,000 individual investors, alleged that the firm and one of its attorneys assisted the trust in creating a feeder fund used to funnel money into other funds already established by the trust.

Drooks and Mayer convinced the court that the firm, which is based outside California and performed all of the relevant work outside of California, had not purposely availed itself of the benefits of California law. Plaintiff also failed to establish that he was suing the firm as the assignee of any investors who had suffered injury in California. On July 21, The Honorable Amy D. Hogue of the Superior Court of Los Angeles County granted Bird Marella's motion to quash service of the summons and complaint for lack of personal jurisdiction.