

Motion for Summary Judgment Granted in Corporate Governance Dispute

Bird Marella attorneys Paul S. Chan and David H. Chao successfully obtained summary judgment of all claims against their clients in a long-standing corporate governance dispute concerning multiple high-end real estate development companies (the "Development Companies.") The clients – the minority owners and developers of the Development Companies – were sued for fraud, breach of contract, and breach of fiduciary duty by the majority investor in the Development Companies. Shortly after the litigation commenced, Bird Marella successfully obtained a preliminary injunction prohibiting the majority investor from unilaterally selling the properties without the clients' consent, as well as an order appointing a neutral third party receiver to oversee the orderly sale of the Development Companies' remaining properties. After establishing in discovery that the clients had properly made all necessary capital contributions and paid out all required profits on the properties, Bird Marella successfully obtained summary adjudication of all claims asserted against the clients. As a result, the only remaining claims in the case are the clients' cross-claims for unreimbursed expenses, lost profits and attorneys' fees.