

# Holland & Knight Wins Reversal of \$34.5M Malpractice Verdict

**Bloomberg Law reports** that a wealthy investor who accused Holland & Knight of facilitating a Ponzi scheme was not entitled to the \$34.5 million verdict that a jury awarded him in 2012, a California appeals court ruled April 2.

Plaintiff Rahim Sabadia claimed that he lost \$16 million in cash, and incurred an additional \$18 million in loan obligations, in a series of real estate investments that H&K structured on behalf of Atlanta developer M. Shi Shailendra. Shailendracame under SEC scrutiny for defrauding investors and was permanently barred from selling securities in 2014.

“Sabadia filed this suit against H&K in 2010, accusing the firm of malpractice and fraud and alleging that it helped Shailendra with a series of transactions that bore the ‘classic elements of a Ponzi scheme,’ in the words of a fraud examiner.” writes **Samson Habte**.

The appeals court said that verdict couldn’t stand because “Shailendra’s dishonest acts broke the causal connection” between H&K’s alleged misconduct and the plaintiffs’ claimed investment losses.

**Read the Bloomberg article.**