

Buchalter Secures More than \$22.6 Million From Chicago Title for Victims of Largest Ponzi Scheme in San Diego History

Buchalter secured a favorable settlement of more than \$22.6 million from Chicago Title on behalf of approximately 80 victims of a fraudulent liquor license investment scheme. Gina Champion-Cain, the mastermind behind the scheme, defrauded investors into believing they were investing in short term loans for liquor license applicants. Chicago Title was the escrow company investors were led to believe would hold their money while supposed liquor license applications were pending. The settlement resolves all of Buchalter's clients' claims against Chicago Title, including claims for fraud, aiding and abetting fraud, conversion, negligence, and financial elder abuse. The settlement recovers more than 70 percent of Buchalter's clients' net losses—the highest percentage Chicago Title has agreed to pay in any of the related investor lawsuits to date.

The liquor license investment scheme is the largest known fraud in San Diego history. The scheme collapsed in August 2019 amid legal action from the U.S. Securities and Exchange Commission. Champion-Cain, accused of funneling investors' money into her restaurants and other business and personal interests, pleaded guilty last July to criminal charges of conspiracy, securities fraud, and obstruction of justice. She was sentenced to 15 years in prison.

The case is Atherton et al. v. Chicago Title Company et al., San Diego Superior Court Case No. 37-2020-00017967-CU-FR-CTL.

The SEC receivership action is SEC v. Champion-Cain et al., Case No. 3:19-CV-01628-LAB-AHG, in the United States District Court for the Southern District of California. The District Court approved the settlement on June 3, 2021.

Buchalter's team was led by Mark T. Cramer, together with Jeffrey S. Wruble, William M. Miller, Oren Bitan, David E. Mark, and Michael J. Worth.