

# 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. Shailendra came 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.**