



CPI Property Group

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Press Release - Corporate News

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CPI PROPERTY GROUP – New York Litigation Dismissed by the U.S. Court of Appeals

CPI PROPERTY GROUP (“CPIPG”) is pleased to update our stakeholders regarding the summary order of the United States Court of Appeals for the Second Circuit (the “**Court of Appeals**”), which affirms in total the judgement of the United States District Court for the Southern District of New York (the “**SDNY Court**”), dismissing the lawsuit filed in April 2019 against CPIPG, Radovan Vitek (the “**CPIPG Defendants**”), and other parties.

“From day one, CPIPG said the lawsuit had no merit,” said Martin Nemecek, CEO. “We are delighted with today’s decision. Justice was served.”

The lawsuit concerned a group of Kingstown companies, Investhold LTD and Verali Limited (together, the “**Kingstown Plaintiffs**”) who filed a claim against the CPIPG Defendants and other parties alleging violations of the Racketeer Influenced and Corrupt Organizations Act (“**RICO**”) in the United States.

On 4 September 2020, the SDNY Court dismissed the claims against all defendants and directed the clerk of court to close the case. In dismissing the lawsuit, the SDNY Court ruled that Luxembourg was an adequate forum for resolution of the Kingstown Plaintiffs’ claim and referenced the substantial similarities to a lawsuit filed in Luxembourg by Kingstown in 2015, from which CPIPG was dismissed in June 2019. The SDNY Court also indicated that the lawsuit “bears indicia of forum shopping,” and that “the salient difference between the two suits is the potential for treble damages under the RICO statute” which “is not a legitimate reason for choosing this particular venue.”

Today, the Court of Appeals issued a summary order affirming the judgement of the SDNY Court. The Court of Appeals considered the Kingstown Plaintiffs’ arguments and found them without merit. CPIPG was represented by Michael Hefter and Seth Cohen of Hogan Lovells US LLP. Mr. Cohen argued the appeal.

“The Hogan Lovells team provided excellent and professional defence during all stages of the litigation,” said Martin Matula, General Counsel. “CPIPG will always defend our hard-earned reputation against baseless threats and claims.”

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