



PRIVATE FUND DISPUTES

EXPERIENCED SOLUTIONS FOR COMPLEX INVESTMENT-RELATED PROBLEMS

INDUSTRY LEADERS, RESOLVING DISPUTES FOR:

- HEDGE FUNDS
- PRIVATE EQUITY FUNDS
- VENTURE FUNDS
- COLLATERALIZED DEBT OBLIGATIONS (CDO)
- ASSET-BACKED SECURITIES (ABS)
- REAL ESTATE INVESTMENT PARTNERSHIPS

Clients in the private fund industry are confronting greater litigation risk today than at any other time in their history. We have an experienced team of litigators with an industry-leading reputation in the private fund disputes area.

In the mid-1990s, long before the credit crisis and the subsequent turmoil in the private fund industry, our attorneys developed a cutting-edge practice in this area when we represented sponsors of private investment funds, including tax credit partnerships and venture capital funds. Today, we are industry leaders with the experience and judgment to solve complex disputes affecting a variety of private investment funds.

Our clients include funds, investors, liquidators, managers and insolvent estates. We represent clients from around the world in both U.S. domestic funds and in funds domiciled in offshore jurisdictions including the Cayman Islands and British Virgin Islands (BVI).

We understand the duties and obligations of funds and managers, so we can assist them with any challenge, from day-to-day obligations, to control contests, to winding down and liquidation. Our team is among the most experienced in the industry in handling fraud-based redemption and clawback disputes and related insolvency proceedings. As a result, we understand how to help clients address the friction between investors and managers. Fund and manager clients have also turned to us repeatedly for advice and representation in criminal and civil investigations ranging from insider trading to record retention compliance.



“NIXON PEABODY HAS CONSISTENTLY DELIVERED EXCELLENT RESULTS FOR US. We have found that they capitalize on their range and depth of expertise with superb commerciality and pragmatism. Responsive and user-friendly, Nixon Peabody’s qualities and offshore pedigree mean that we consider them a ‘go-to’ firm for handling complex offshore fund disputes with a U.S. component.”

—HADLEY J. CHILTON
HEAD OF RESTRUCTURING & INSOLVENCY BAKER TILLY (BVI) LIMITED

OFFSHORE REPRESENTATIVE EXPERIENCE

- Representing the BVI-based liquidators of Mount Capital Fund Limited, a British Virgin Island-based hedge fund, in a \$50 million preference and claw-back action brought by the Madoff trustee, in one of the first sales of Madoff-tied SIPA claims to a third party, and with litigation advice related to recovery of assets lost in Madoff-related funds.
- Representing the Cayman Islands-based liquidators of ThreeAM SPC, a hedge fund of funds in valuation/liquidation disputes with various PIPE funds.
- Defended nine pairs of Cayman Islands and Delaware-based issuer/co-issuer defendants in a \$100 million securities fraud case involving the sale of CDOs, resulting in a complete dismissal of the case.
- Represented an Asian private equity fund in connection with its investment in the U.S. involving an SEC investigation and U.S. litigation concerning mismanagement by former manager.

ONSHORE REPRESENTATIVE EXPERIENCE

- Representing Boston Capital in numerous limited partnership disputes related to syndicated tax credit funds. Typical matters in this space involve resolution of disputes with general partners over failure to adhere to fiduciary or contractual duties to partners, with increasing number of disputes over differing views of fund exit obligations.
- Representing Credit Suisse entities in residential mortgage-backed securities case brought by the Federal Home Loan Bank of Boston, which is seeking to rescind its purchase of over \$5.9 billion in such securities. Also representing them in residential mortgage-backed securities litigations in federal court in Massachusetts brought by the Massachusetts Mutual Life Insurance Company under the Massachusetts Uniform Securities Act. Plaintiff is seeking rescission and damages for approximately \$110 million of purchased securities.
- Represented investor in American Arbitration Association arbitration and confirmation proceedings as well as in Connecticut state court litigation against a hedge fund, its investment manager and principal. The matter involved recovering damages arising from the defendants’ hedge fund operation and management misconduct, in which our client invested approximately \$26 million. Obtained arbitration award of rescission damages based on defendants’ fraudulent conduct, which award was converted to a final court judgment of approximately \$26.5 million. The Connecticut litigation resulted in a stipulated judgment for monetary damages for our client.

FOR MORE INFORMATION, PLEASE CONTACT:

Jonathan Sablone, partner
Chair, Private Fund Disputes
212-224-6395 | jsablone@nixonpeabody.com

Stephen LaRose, partner
617-345-1119 | slarose@nixonpeabody.com

www.nixonpeabody.com

ABOUT NIXON PEABODY LLP

At Nixon Peabody, we see 21st century law as a tool to help shape our clients’ futures. We are constantly thinking about what is important to our clients now and next so we can foresee obstacles and opportunities in their space and smooth the way. We work together to handle complex challenges in litigation, real estate, corporate law, intellectual property and finance anywhere in the world.

