

U.S. INDUSTRY SEEKS DUTIES ON CANADIAN LUMBER, REIGNITES DISPUTE

A group representing the U.S. lumber industry and some of its workers on Friday called on authorities to impose duties on Canadian softwood lumber, reigniting a long-standing trade dispute between the two nations.

Poor Families to Get More Help With Rent From New York State

In a settlement that could help thousands of families avoid eviction, New York State will substantially increase the monthly rent subsidies it provides to low-income families with children in New York City, a move that could help reduce the number of people in homeless shelters.

Ukrainian Investors' Claims Against Russia Pass First Hurdle

Russia will face expropriation claims in the Permanent Court of Arbitration brought by Ukraine's largest commercial bank and the operator of a private airport after the larger nation annexed the Crimean Peninsula in 2014.

Nortel Networks Wins Approval to Distribute \$7.3 Billion to Creditors

Nortel Networks Corp. won approval to start distributing \$7.3 billion to creditors, a major step in the long-running process to reorganize the long-running telecommunications company in Chapter 11 bankruptcy court in Canada.



**Litigation
Wrap**

First Quarter 2017

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Hughes Hubbard & Reed

1Q2017 Developments

\$7.3B Settlement Approved

Hughes Hubbard helped lead the European affiliates of Nortel Networks to a final resolution of their insolvency proceedings when judges in Delaware and Canada signed off on a settlement ending an eight-year international dispute over how to divide the \$7.3 billion raised from the company's liquidation. **Derek Adler**, **Bill Maguire** and **Neil Oxford** led the team which included **Gabrielle Glemann**.

First of Their Kind BIT Decisions

A team led by **John Townsend**, **Marc-Olivier Langlois** and **Jim Boykin** won the first decisions to find a bilateral investment treaty (BIT) applicable to territory regarded as illegally occupied by the international community. On Feb. 24, a Permanent Court of Arbitration tribunal decided to hear claims regarding expropriations in Crimea against the Russian Federation by Aeroport Belbek and its owner Igor Valerievich Kolomoisky, and, in a separate case, by PrivatBank, Ukraine's largest bank. On March 20, a second tribunal decided to hear additional claims against the Russian Federation by the owners of parcels of Crimean real estate that were similarly expropriated.

Firm Wins Tax Fraud Suit

Hughes Hubbard earned a big win for Rabobank on Jan. 18, when a Nevada state court judge tossed an action seeking to hold the Dutch financial services provider liable for a failed tax shelter it had financed. **Chris Paparella** argued the motion and led the team, which included **Sarah Cave**.

SEC Settlement for Wipro

On Dec. 22, HHR helped India-based Wipro Ltd. resolve a six year investigation by the SEC relating to its foreign exchange accounting practices. The outcome was favorable, avoiding protracted litigation and imposing a fine of only \$5 million. **Kevin Abikoff** and **Benjamin Britz** led the team, which included **Roel Campos**, **Terence Healy**, and **Bill Stein**.

Two Wins for TicoFrut

On Jan. 30, **Ruben Diaz**, **Nick Swerdloff**, and **Aviva Wernick** won a victory in Federal court in the Southern District of Florida for the Pellas Group's TicoFrut when a judge denied Del Monte's request to garnish TicoFrut's payments to a pineapple grower to satisfy a \$32 million arbitral award against the grower. On March 7, HHR won a second victory when the

judge denied Del Monte's motion for a preliminary injunction prohibiting TicoFrut from buying pineapples from the same grower.

Renewed Lumber Trade War

In a renewed trade war with the U.S. over Canadian exports of softwood lumber, Hughes Hubbard is serving as legal counsel to the government of Canada and heading up a multi-firm team representing all the Canadian provinces and industry associations. The last round of lumber cases (2001-2006) ended with a negotiated agreement and a complete victory for Canada with \$5 billion in illegally collected duties being returned to Canadian producers. **Joanne Osendarp** leads the HHR team which includes **Eric Parnes**, **Matt Nicely**, **Lynn Kamarck** and **Alan Kashdan**.

Lehman Distribution Approved

On March 23, the U.S. Bankruptcy Court for the Southern District of New York approved the Trustee's motion to pay another \$228 million to unsecured general creditors of the brokerage, bringing their total recovery to approximately \$9 billion. "The potential to bring unsecured general creditor recovery to 39

percent exceeds all expectations at the outset of this liquidation," said Trustee **Jim Giddens**, in a statement.

Class Action Settlement with NY

On Feb. 27, HHR and the Legal Aid Society announced the favorable settlement, subject to court approval, of their class action lawsuit attacking inadequate housing assistance for poor families. The settlement will substantially increase the monthly rent subsidies available for low-income families in New York City, expand the city's public rental assistance program, and help thousands of families avoid eviction and homelessness. **Ted Mayer** and **Fara Tabatabai** led HHR's efforts in this matter.

Acquittal at Trial in Assault Case Will Coronato

won an acquittal of assault and restraining order violation charges against a pro bono client. On March 2, a New Jersey Superior Court Judge found our client not guilty of all charges and dismissed the complaint after a bench trial, stating that the accuser's version of events did not add up.