

Cahill Litigators Win Dismissal of \$1.8bn "Minibond" Class Action Suit Against HSBC

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A Cahill litigation team prevailed on behalf of HSBC in litigation (*Wong, et al. v. HSBC, et. al.*) arising from Hong Kong investors' purchase of certain "mini-bonds" issued by Pacific International Finance Ltd., who in connection therewith, entered into a swap agreement with Lehman Brothers Special Financing Inc. and also in connection therewith purchased notes from Saphir Finance PLC. HSBC Bank USA, N.A., serves as Trustee with respect to the Saphir notes.

Plaintiffs' action asserted claims against HSBC defendants for breaches of contract and fiduciary duty, among other things, with alleged damages totaling in excess of \$1.8 billion. Lehman Brothers Special Financing Inc. and other foreign defendants were also named in the action.

On November 18, 2009 the U.S. Bankruptcy Court for the Southern District of New York ruled in favor of HSBC, granting Defendants' motions to dismiss all claims and denying plaintiffs application to amend the complaint. The Court concluded that Plaintiffs' action failed to establish standing and did not merit the "special circumstance" required to justify a derivative claim, thereby granting our client a significant win. Because Plaintiffs' remaining claims were predicated on the non-dismissal of these claims and a potential direct impact and relationship to the Lehman bankruptcy, the court also dismissed the remaining claims.

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