
Deutsche Bank Prevails in Cortlandt Street Recovery Litigation

Date: 08/28/15

A team of Cahill litigators has prevailed on behalf of Deutsche Bank AG, London Branch, in an action brought in the United States District Court for the Southern District of New York by Cortlandt Street Recovery Corp. and SPQR Capital (Cayman) Ltd. seeking in excess of €80,000,000 of damages allegedly precipitated by the insolvency of Hellas Telecommunications II, SCA, part of a large Greek telecom concern. Plaintiffs brought suit against Deutsche Bank as Security Agent alleging claims for intentional fraudulent conveyance, constructive fraudulent conveyance, breach of contract, constructive trust, breach of fiduciary duty, and misappropriation of assets. Deutsche Bank moved to dismiss all causes of action on numerous grounds, including that Deutsche Bank is not subject to general personal jurisdiction in New York and that a claim of specific jurisdiction over Deutsche Bank was not viable given the facts alleged by Plaintiffs.

On August 28, 2015, the Court granted Deutsche Bank's motion to dismiss all claims for lack of personal jurisdiction. The Court applied the Supreme Court's decision in *Daimler AG v. Bauman*, 134 S. Ct. 746 (2014), and its progeny to hold that exercising general jurisdiction over Deutsche Bank in New York "would not comport with the requirements of due process." The Court further held that the Plaintiffs had not "alleged any facts that, if accepted as true, would subject [Deutsche Bank] to specific jurisdiction under [New York's] long-arm statute" and that Plaintiffs' consent-based argument failed as a matter of law because "[t]here is no plausible reading of the Indenture in which the consent to jurisdiction extends so far as to bind the security agent," Deutsche Bank. Having found no basis for the exercise of personal jurisdiction, the Court concluded that it need not reach Deutsche Bank's other arguments.

Attorney

- Charles A. Gilman