

**Court slaps Sunland with costs  
By SARAH DANCKERT, COURTS**

A MELBOURNE court has issued a special costs order against listed developer Sunland, ruling it took legal action against two Australian developers it did business with in Dubai for an "ulterior purpose".

In addition to the special costs, or indemnity costs, the Supreme Court of Victoria has also ordered that Sunland pay all the costs of the trial.

Sunland has already lodged an appeal against the adverse ruling from that trial and has flagged a potential appeal against the costs.

The actual cost figures will be determined by the court at a later date, but it is expected to be millions of dollars.

In a short statement released to the Australian Securities Exchange yesterday after the ruling, Sunland said it would consider appealing against the order. "Sunland has already lodged an appeal against Judge (Clyde) Croft's determination of our claim and given the strong grounds the company believes it has for that application, Sunland will also consider appeal rights in relation to the award of indemnity costs against it.

"The quantum of costs is to be assessed." Shares in Sunland, which once counted James Packer as a director, dropped 0.55 per cent to 91c following the court order. Legal fees tied to the case that has been running since 2009 are expected to be high. Speculation has put the minimum total costs at \$3 million, but there is talk costs could soar to as high as \$10m.

In June, Sunland lost its case against Melbourne company Prudentia, its director Angus Reed and Matthew Joyce, a former executive at a Dubai state-owned property developer. Sunland had alleged Mr Reed and Mr Joyce duped the company into paying a \$14m "introductory fee" to secure a prime plot of land in the Dubai Waterfront development in 2007. Sunland alleged it believed Mr Reed or Prudentia had a right to acquire the land, which was then owned by the Dubai government.

But the judge rejected the claim and issued a scathing criticism of the evidence presented by Sunland chairman and founder Soheil Abedian and the head of its Middle Eastern arm, David Brown.

Following the June ruling, the defendants had asked the judge to award special costs, arguing the claim brought against them was in part to safeguard Sunland and Mr Brown's position in Dubai. Yesterday, judge Croft agreed with the defendants and said that it should have been clear to Sunland that its action would not have been successful and that the company had run its case in "wilful disregard" of known facts and law and also for an ulterior purpose.

He said company documents lent support to the view held by the defendants that these proceedings were commenced as part of Sunland's dealing with the Dubai prosecution authorities for the purpose of safeguarding the company's and Mr Brown's position in Dubai.

An investigation of the transaction by the Dubai authorities resulted in Mr Brown being questioned by authorities. He was released and no charges were laid.

The investigation has also led to Mr Joyce and another Dubai-based businessman, Marcus Lee, being held in Dubai since January 2009 on bribery charges. Mr Reed is also facing charges in Dubai over the transaction.

Justice Croft said it was clear from the evidence given by Mr Brown and Mr Abedian that each of them understood that neither Mr Reed nor Prudentia had any binding agreement in respect of the plot of land and no legal interest in the plot.

Sunland has since ceased operations in Dubai and the land in question remains undeveloped. Sunland said last month that its net profit after tax had fallen to \$14.5m.

