

Sunland faces \$7m costs

By ANTHONY MARX

"I am satisfied that Sunland commenced and continued the present proceeding in wilful disregard of known facts and law and also for an ulterior purpose"

Justice Croft

GOLD Coast developer Sunland Group has been ordered to pay indemnity costs in a bitter legal battle which could approach \$7 million.

A Victorian Supreme Court ruled yesterday that the company had improperly sued two Australian businessmen following a soured property deal in Dubai.

Justice Clyde Croft found that Sunland had taken the action against Angus Reed and Matthew Joyce in a bid to shield itself and a top executive from prosecution by authorities in the United Arab Emirates.

Mr Joyce and another colleague, Marcus Lee, were arrested in Dubai in January 2009 and charged with bribery and corruption offences. They remain under house arrest. Mr Reed, who also faces charges, has returned to Australia.

"I am satisfied that Sunland commenced and continued the present proceeding in wilful disregard of known facts and law and also for an ulterior purpose," Justice Croft wrote.

"Consequently, there is more than an ample basis or bases to warrant the making of a special costs order against Sunland in favour of the defendants."

The decision also condemned "Sunland's willingness to implicate Joyce 'unjustifiably'."

Sunland alleged that Mr Reed and Mr Joyce had conned the company into paying a \$14 million "introductory fee" to secure a prime piece of waterfront property in Dubai.

But in a highly critical decision handed down in June, Justice Croft found that Sunland chief executive Soheil Abedian and his colleague, David Brown, had been "unreliable witnesses".

He referred Sunland to the Australian Securities and Investments Commission after determining that the company had misled both Dubai prosecutors and the ASX.

Sunland said in a statement yesterday that it planned to appeal the June ruling "on extensive grounds" and was "considering its position" with regards to the costs order. The company reported a 32 per cent fall in full-year net profit to \$14.5 million last month.

One of the defendants, Prudentia Investments, welcomed yesterday's ruling.

Prudentia said the decision gives Foreign Minister Bob Carr "further firepower to alert Dubai authorities to these findings that Mr Joyce and Mr Lee are the innocent victims of a false complaint by Sunland".

Section: FINANCE