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Sunland could take hit after losing court case

Nick Lenaghan

Listed developer Sunland Group could face a big hit from legal costs after it launched and lost a lawsuit against two Australian developers.

A Victorian Supreme Court judge is now considering who should pay the sizeable costs racked up during Sunland's long-running case against businessmen Matthew Joyce and Angus Reed over a Dubai property deal that went sour.

Mr Joyce's legal bills amount to at least \$3 million, Mr Reed and his company Prudentia Investments

have incurred \$4 million or more while Sunland could be facing a similar amount, sources said.

An overall bill of as much as \$10 million would dramatically diminish the profit guidance Sunland gave in February of \$14 million to \$15 million.

Sunland had claimed it was duped by Mr Joyce and his colleague Mr Reed into paying a \$14 million "introductory fee" to gain control of a prime piece of waterfront real estate in Dubai.

Two months ago Justice Clyde Croft rejected Sunland's claim and

delivered some harsh criticism of the evidence given by its founder, Soheil Abedian, and senior executive David Brown.

The same judge returned to court yesterday to hear argument from both sides as to who should foot the bill for the case.

The legal teams for Mr Joyce, who is still detained in Dubai fighting corruption allegations, and Mr Reed have asked the court to award special or indemnity costs against Sunland, arguing the Gold Coast developer had brought the case against the two men for an ulterior purpose.

Peter Collinson, SC, for Mr Reed, said Sunland had pressed its case in Australia in order to protect itself and a senior executive David Brown from potential criminal action in Dubai.

That in turn had resulted in "most dreadful consequences" for Mr Joyce, who remains under house arrest in Dubai three years after he was arrested, Mr Collinson said.

Representing Mr Reed, barrister Jack Rush, QC, stepped up the attack on Sunland and its executives.

Mr Rush said the company's most senior executives "had embarked on a

course of lies and deceit" from the outset.

"The dishonesty of Brown and Soheil Abedian in Dubai and in the Australian proceedings infects proceedings in two countries, is reprehensible conduct, which is productive of injustice in each jurisdiction," Mr Rush said in a written submission.

Gavin Thompson, SC, for Sunland rejected claims that the Gold Coast developer had any ulterior motive in launching the Australian case.

The point of the Australian lawsuit, Mr Thompson said, was to recover the \$14 million fee.