Sunland faces up to \$10m legal bill

PUBLISHED: 14 Sep 2012 10:43:00 | UPDATED: 15 Sep 2012 02:38:26PUBLISHED: 14 Sep 2012 PRINT EDITION: 15 Sep 2012

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Gold Coast developer Sunland faces a hefty legal bill after a Victorian judge ruled it filed a lawsuit against two Australian developers to try to protect itself from a corruption investigation in Dubai.

The rare legal finding was made at a Supreme Court hearing on Friday to determine costs following Sunland's loss in the original case.

The damage to Sunland could amount to as much as \$10 million for its own and defence costs, sources estimate.

That amount could virtually wipe out the \$14.5 million net profit Sunland reported this month.

Judge Clyde Croft said he would award special costs, which are still to be finalised, because Sunland conducted its case in "wilful disregard" of facts and for an ulterior purpose.

Sunland brought the initial case against businessmen Matthew Joyce and Angus Reed, claiming it was duped into paying a \$14 million fee to gain control of a prime piece of waterfront real estate in Dubai.

Justice Croft agreed with the defence lawyers that Sunland's account falsely implicated Mr Joyce in a non-existent fraud.

Mr Joyce and another Australian, Marcus Lee, are fighting bribery charges in Dubai.

The Australian Financial Review