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Pryor Cashman Wins Trial Against Savings Deposit Insurance Fund of Republic of Turkey and Obtains \$25 Million Judgment for Client

After three days of trial, Pryor Cashman client Deep Woods LLC emerged victorious in its litigation against the Savings Deposit Insurance Fund of the Republic of Turkey (“SDIF”). Judge Alvin K. Hellerstein of the U.S. District Court for the Southern District of New York awarded Deep Woods \$16.2 million in contract damages, plus attorneys’ fees, interest, and costs which will bring the total amount of the judgment to more than \$25 million.

Pryor Cashman Litigation Partner James S. O’Brien, Jr. was lead trial counsel for Deep Woods, assisted by Litigation Associates Ross M. Bagley and Benjamin S. Akley. Banking and Corporate Partner Pinchus D. Raice, Chairman of the Financial Institutions Group, was of counsel.

The case, *Deep Woods Holdings LLC v. Savings Deposit Insurance Fund of the Republic of Turkey*, 07-CV-934 (S.D.N.Y.), involved SDIF’s failure to honor the terms of an option agreement concerning shares in The Park Avenue Bank (the “Bank”). Deep Woods held the right to “call” from SDIF certain shares in the Bank that SDIF had attached and which were being held by the New York City Sheriff. After the option exercise, SDIF was obligated to deliver the shares as soon as it “was able to deliver” them.

At the time of the option exercise in November 2005, the shares were worth considerably more than the option exercise price and SDIF refused to deliver them, claiming that it was not “able” to do so as defined in the option agreement. Deep Woods commenced suit in 2007 seeking delivery of the shares. While the suit was pending, however, the financial crisis destroyed the value of the Bank, and Deep Woods demanded that it be paid the money it lost — at least \$16 million — rather than the shares.

Pryor Cashman asserted claims against SDIF for its breach of contract in failing to deliver the shares as required under the call option and for its intentionally preventing the occurrence of certain conditions that triggered its performance. SDIF denied the claims and asserted a counterclaim for attorneys’ fees and costs against Deep Woods.

After 3 days of trial, the Court in its March 3, 2011 opinion rejected all of SDIF’s arguments and awarded Deep Woods the \$25 million judgment sought by Pryor Cashman.

To read the opinion, please [click here](#).