

## Latham & Watkins scores \$1B in UBS contract breach trial

**By Glenn Jeffers**

*Daily Journal Staff Writer*

**L**atham & Watkins LLP has secured a \$1 billion trial victory against Dallas-based Highland Capital Management LP over claims the alternative investment management firm breached contracts going back to 2008 at the height of the credit crisis.

The team, led by global securities litigation and professional liability practice chair Andrew Clubok and San Francisco partner Elizabeth Deeley, argued Highland Capital breached contracts with Swiss multinational investment bank UBS when it refused to pay for losses connected to failed collateralized loan obligations and credit default swaps and then fraudulently transferred the assets to other parties, according to court documents released Wednesday. *UBS Securities LLC v. Highland*

*Capital Management LP*, 0650097/2009 (N.Y. Supreme Ct., filed May 4, 2009).

New York County Supreme Court Judge Marcy Friedman bifurcated the trial, finding the contract claims would be heard first by the court, and the remaining claims — including breach of the duty of good faith and fair dealing, fraud and fraudulent conveyance — would be tried in a jury trial later, according to court documents.

Following a July 2018 bench trial, a decade after Highland refused to pay, the court ruled the investment firm breached its contracts and ordered it to pay \$520 million owed on the credit swaps and another \$520 million in statutory interest, according to court documents.

“UBS is pleased with the result of the trial and looks forward to final resolution of the matter,” Deeley said in a statement.

— Glenn Jeffers