MELAND | BUDWICK

Attorneys for Embattled Chinese Businessman Speak on Fashion Mall Settlement

https://mbdev.aplussdv.com/2018/09/13/attorneys-for-embattled-chinese-businessman-speak-on-fashion-mall-settlement/

By Zach Schlein

Miami attorneys representing the largest investor in the failed effort to convert a Plantation property into a lavish live-work-play community are speaking out following the approval of a settlement agreement between the involved parties.

According to Peter Russin and Daniel Gonzalez, who represented Tangshan Ganglu Iron & Steel and its owner Zeng Zheng Du, their clients are pleased with the outcome of the settlement, even if it arrived out of financial necessity.

“Tangshan Ganglu Iron & Steel was the major stakeholder in the bankruptcy case,” said Russin, who is a partner at Meland Budwick, P.A. alongside Gonzalez. Russin notes that the company was the largest creditor owed, “having invested in excess of $100 million” in the failed endeavor. As such, it was the goal of Zeng and his company to “maximize its return on those funds,” even as money was dwindling from the $37.7 million sale of the property in April 2015.

Russin told the Daily Business Review the bills were quickly stacking up for the litigating factions, hastening the need for mediation and an eventual settlement.

“The trustee was spending a great deal of money on attorney fees. My client was spending a great deal of money on attorney fees, and we presume Wei Chen was racking up bills from attorney fees,” Russin said, adding that the mediation and settlement were “driven by preservation of assets” on all sides.”

Ganglu and Du describing his client’s believed their claims against Chen were “very strong,” but felt they weren’t going to produce a meaningful recovery.

"It was a simple calculation, a zero-sum game," Russin said.

Attorneys on both sides say their clients are relieved to move beyond years of fighting.

"Good meditations mean that nobody is thrilled to death, but he was satisfied and happy that a fair result came out of it," Jerry M. Markowitz, one of the attorneys representing Chen, said.

Du and his attorneys agreed in the settlement to pay Jin Zhi Star, a company owned by Chen, what Russin refers to as "nuisance value money" in order to help bring the litigation to a close. But the businessman isn't leaving empty handed.

"The ultimate effect of the settlement is that our client will get over 90 percent of the money distributed from the trustee," Gonzalez said.

Russin emphasized that the litigation was ultimately settled in large part because long-term lawsuits are expensive and accumulated costs "often ends up dictating the result."

"But still the result was acceptable to our client," Russin said. "And our client will accept well in excess of 90 percent of the funds."

Click here to view full article.