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Fla. Judge Urges Permanent Toss Of $4.4B Superyacht Suit

By **Reenat Sinay**

Law360 (February 28, 2020, 3:10 PM EST) -- A Florida federal magistrate judge recommended a permanent end to a $4.4 billion racketeering suit over an illegal bidding scheme for a luxury superyacht, finding that after several chances, the builder of the yacht has yet to make its case against the buyer.

For **the second time** in the less than two-year-old litigation, U.S. Magistrate Judge Lauren Louis recommended Thursday that the court toss the suit, holding that superyacht builder Worldspan Marine Inc. doesn't have standing to bring Racketeer Influenced and Corrupt Organizations Act claims against the buyer of the boat and his financier, Comerica Bank.

Judge Louis found that Worldpan didn't plausibly show that it suffered an injury caused by the defendants, sinking its RICO claims. Likewise, its fraud claims fail because they lack the level of detail needed to make them stand up, she said.

"Because plaintiffs have now had multiple opportunities to allege their claims against these defendants but failed to cure the deficiencies previously identified in their original complaint, I recommend that dismissal be without leave to amend," Judge Louis said.

Worldspan **alleged in its May 2018 complaint** that Comerica helped Harry Sargeant III — who owns oil refineries, asphalt-shipping companies and other entities — put the Canadian yacht builder out of business by failing to pay for a 144-foot superyacht he ordered.

Sargeant contracted Worldspan in February 2008 to build a superyacht that was so large it took up the entirety of the boat builder's premises and prevented the company from working on other boats at the same time, the suit said.

From February 2008 until August 2009, Sargeant paid Worldspan $11 million toward the construction of the superyacht, using money that Worldspan claimed was laundered from an offshore shell corporation called International Oil Trade Center Bahamas through a Florida branch of Comerica, according to the suit.

Worldspan said the shell company was used by Sargeant in a fraud against his former business partner and the brother-in-law of King Abdullah II of Jordan, Mohammad Anwar Farid Al-Saleh, who has spent the last few years trying to enforce a $28.8 million judgment against Sargeant.

The yacht builder claims Comerica conspired with Sargeant to defeat Al-Saleh's claim against Sargeant's interest in the superyacht by assigning his interest in the boat to Comerica in 2009. One year later, construction ceased on the yacht, with Comerica still owing $4.9 million to Worldspan.

Worldspan said that in January 2011, the superyacht was appraised at $15 million. It tried to sell the vessel, but Comerica and Sargeant stymied the company's efforts, and it eventually sold for just $5 million in 2014.

Worldspan and Florida-based CSPAN Financial LLC and Wedmore Financial LLC, which were investors in the yacht builder, say the assets that were destroyed had a value of $66.3 million, and the cost to build up the business again would be $42 million.

In addition to those compensatory damages, they are seeking treble damages of $198.8 million under their RICO claim, as well as punitive damages of at least $4.1 billion.

Counsel for the parties did not immediately respond Friday to requests for comment.

Worldspan Marine is represented by Rodrigo S. Da Silva of the Law Offices of Rodrigo S. Da Silva.

Sargeant is represented by Christopher M. Kise, Melissa B. Coffey, Kathryn T. Williams and Joshua Hawkes of Foley & Lardner LLP and Stephanie A. Casey and Roberto Martinez of Colson Hicks Eidson.

Comerica is represented by Thomas W. Cranmer, Larry J. Saylor, Steven A. Roach and Kimberly L. Scott of Miller Canfield Paddock & Stone PLC and Paul O. Lopez and Megan L. Janes of Tripp Scott PA.

The case is Worldspan Marine Inc. et al. v. Comerica Bank et al., case number 1:18-cv-21924, in the U.S. District Court for the Southern District of Florida.

--Editing by Alyssa Miller.
