

Sardana lawsuit in New York: Vienna Airport arms itself with Lumsden

Schwechat Airport has deployed its lawyers in the dispute with the former airport store operator, Rakesh Sardana. Sardana argues that the airport drove him to ruin, and he therefore filed a lawsuit against the airport in the Supreme Court in New York about two weeks ago.



Robin Lumsden

Sardana and his companies, Saveria JFK, Inc. and Saveria USA, Inc., accuse the airport of causing his economic downfall, a claim which the airport denies. Sardana claims that Vienna Airport spread lies about him and his business practices. As a direct consequence of these discrediting tactics, it is alleged that Sardana, as the operator of 18 stores in Terminal 4 at New York's JFK Airport and 45 stores in Vienna Schwechat Airport, was denied profits and expansion opportunities worth tens of millions, and that in addition he lost all his retail outlets in Vienna, according to a press release. Sardana is now demanding compensation of around 150 million euros.

Vienna Airport filed a petition for bankruptcy against Sardana in 2012

Three years ago, Sardana and his business interests slipped into insolvency. In press reports of the time, the debts of Sardana and four of his companies were estimated at around 60 million euros. Vienna Airport had filed a petition for bankruptcy against him for overdue rent payments. According to the petition, Sardana is also alleged to owe money to the Lower Austria Health Insurance Fund, the Ministry of Finance, the town of Schwechat and numerous suppliers. It is claimed that Sardana was due to operate one fifth of the retail premises in Terminal 3, but the expansion had not happened as agreed, according to the airport. Even then, Sardana had insisted that the insolvency proceedings were the result of a long-term campaign against him.

Sardana believes that he has been the victim of discrimination as a result of his Indian origins. According to the petition seen by JUVE, in 2004 the then airport board of directors employed former lobbyist Peter Hohegger to run a smear campaign with the aim of destroying Sardana's reputation. Hohegger and the airport are alleged to have sought support from the well-known Viennese lawyer Dr. Gabriel Lansky (Lansky Ganzger + Partner), who is said to have hired private detectives to "collect dirt on Sardana", as is stated in the petition.

Airport denies accusations

Vienna Airport denies “all demands and claims made by Mr. Sardana as completely absurd and totally unfounded in every way”, declared a spokesman in response to a question posed by APA. “If Flughafen Wien AG (Vienna Airport) incurs costs as a result of this grotesque lawsuit, Mr. Sardana will be held responsible”, the spokesman continued. He went on to say that furthermore the lawsuit makes a mockery of all those countless creditors who have lost millions of euros through the insolvency proceedings of Sardana’s companies in Austria. “If there was any truth in the accusations, then he would have most likely called upon the Austrian courts.”

Lansky has not responded to enquiries from JUVE.

Representing Sardana/Saveria JFK/Saveria USA

Rich Michaelson Magaliff Moser (New York): Howard Magaliff, Robert Michaelson
(Commercial and Insolvency law)

Prof. Alan Dershowitz (emer. Harvard Law School)

Stacey Richman (Criminal law; New York)

Representing Vienna Airport

Lumsden and Partners (Vienna): Dr. Robin Lumsden (Lead Counsel), Dr. Wolfgang Sieh
(both Corporate law); Associate: Irina Tot

Clifford Chance (New York): Robert Houck (Conduct)

Inhouse (Vienna): Dr. Wolfgang Köberl (General Secretary; head of legal division)

Background: The representative for Vienna Airport, Robin Lumsden, specializes in advising domestic and foreign companies with US connections. He is licensed to practice in both Vienna and New York – a circumstance which is not insignificant in the current situation. Lumsden and his team have been independent since May 2013: before that, he and his partner Sieh were employed as attorneys by Fiebinger Polak Leon & Partner.

The law firm, together with its cooperation partner, the Clifford partner Robert Houck, was awarded the brief in the face of competition from four large international law firms based in Vienna. These included Freshfields Bruckhaus Deringer, which initially appeared to have the best chance of representing the airport.

The accredited Preslmayr partner Dr. Matthias Schmidt acted as liquidator for the Austrian Sardana holding. (Geertje de Sousa, Catrin Behlau, Jörn Poppelbaum)