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PRESS RELEASE  
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## **CPI PROPERTY GROUP – New York Litigation Dismissed**

CPI PROPERTY GROUP (hereinafter “**CPIPG**” or together with its subsidiaries the “**Group**”) is pleased to update our stakeholders regarding the lawsuit filed in April 2019 in the United States District Court for the Southern District of New York (the “**SDNY Court**”).

The lawsuit concerned a group of Kingstown companies, Investhold LTD and Verali Limited (together, the “**Kingstown Plaintiffs**”) who filed a claim against CPIPG and Mr. Radovan Vitek (the “**CPIPG Defendants**”) and other parties alleging violations of the Racketeer Influenced and Corrupt Organizations Act (“**RICO**”) in the United States.

On 4 September 2020, the SDNY Court dismissed the claims against all defendants and directed the clerk of court to close the case.

“CPIPG was always confident that the lawsuit had no merit,” said Martin Nemecek, CEO. “Justice was served, and the Group is excited to conclude this chapter in our history.”

In dismissing the lawsuit, the SDNY Court ruled that Luxembourg is an adequate forum for resolution of the Kingstown Plaintiffs’ claim and referenced the substantial similarities to a lawsuit filed in Luxembourg by Kingstown in 2015, from which CPIPG was dismissed in June 2019. The SDNY Court also indicated that the lawsuit “bears indicia of forum shopping,” and that “the salient difference between the two suits is the potential for treble damages under the RICO statute” which “is not a legitimate reason for choosing this particular venue.”

Because of the prior pending action and based on forum non conveniens, the SDNY Court granted dismissal and never considered the merits of the case; CPIPG continues to believe that the Plaintiffs constructed a one-sided, misleading and haphazard narrative in a desperate attempt to gain publicity and coerce a settlement. The Kingstown Plaintiffs may determine to appeal the SDNY Court ruling, but CPIPG believes the basis for appeal is exceptionally weak and the CPIPG Defendants would once again mount a vigorous defense.

In the SDNY Court, CPIPG was represented by Michael Hefter and Seth Cohen of Hogan Lovells US LLP. “We are grateful for the professionalism and advice of the Hogan Lovells team,” said Martin Matula, General Counsel. “The Group will continue to defend our hard-earned reputation against baseless threats and claims.”

For more on CPI PROPERTY GROUP, visit our website: [www.cpipg.com](http://www.cpipg.com).



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