

Guernsey's Court of Appeal vindicates Carlyle Group after nine-year dispute worth nearly \$2 billion

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Guernsey's Court of Appeal has upheld the judgment that none of the US investment firm The Carlyle Group, its investment manager, Carlyle Investment Management LLC, or the directors of Carlyle Capital Corporation, were responsible for Carlyle Capital Corporation, a Guernsey investment fund, going into insolvency in the 2008 financial crash.

A judgment handed down on 12 April has upheld the first instance judgment that the directors of Carlyle Capital Corporation (CCC) were not in breach of their duty of skill and care or their fiduciary duty and that CCC's investment manager, Carlyle Investment Management LLC (CIM) was not in breach of its contractual or tortious obligations.

Delivering the judgment of the Court of Appeal, McNeill JA said: "However startling the history of [Carlyle Capital Corporation's] short life appears at first sight, its failure was the result of circumstances beyond the control of any board of directors."

The Carlyle Group and Carlyle Investment Management, represented by Ogier partner Simon Davies, won the civil case in September 2017 after a six-month trial.

Valued at nearly US\$2 billion, with more than 187 claims pursued against Washington DC-based investment firm The Carlyle Group and CCC's seven executive and non-executive directors, the case was thought to be the largest in Guernsey's history by financial value, duration, and number of documents filed. The Royal Court's judgment dismissed all claims considered at trial against each of them.

Simon Davies said: "After a long and thorough process leading to a very clear judgment in September 2017, the result of this appeal further vindicates The Carlyle Group entities, and demonstrates once more that they acted entirely properly, and in the interests of Carlyle Capital Corporation, its shareholders and its creditors."

Ogier was instructed by the well-known and respected Washington DC powerhouse Williams & Connolly LLP.

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