



## **“Cherney’s Argument of Signing under Intoxication is Unreasonable”**

Anat Roeh, Calcalist

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**Defeat to Michael Cherney: The Supreme Court of New York issued a warrant preventing the Tel-Aviv District Court to continue hearing the dispute between him and Alexander Gliklad. The District Court previously ruled, in the absence of defense from Gliklad, that he owes \$ 270 million to Cherney and not vice versa**

Two weeks ago, the Supreme Court of New York issued a warrant prohibiting further hearing of the lawsuit filed by Michael Cherney against Alexander Gliklad in an Israeli court, and determined that the jurisdiction belongs only to the New York Court. The American Court noted that Cherney’s version is unreasonable. Cherney argues that while being under intoxication, he accidentally signed the wrong place on a promissory note, and therefore created the impression that he owes 270 million dollars to Gliklad – although the situation is reversed.

The decision to hold the procedure in New York is a defeat to Cherney, since in Israel he received a judgment *ex parte*, accepting his version. Gliklad, represented by attorneys Shmulik Cassouto, Guy Noff and Daniel Tabakov, argues that the Israeli procedure is an underhanded opportunism intended to bypass the procedure which opened earlier in New York. On Thursday Gliklad approached the Tel-Aviv District Court and requested to order the removal of the lawsuit in Israel from the list of pending cases.

### **An evening of pleasures in Vienna**

The acquaintance between Cherney and Gliklad was created in the beginning of the 90’s in the former Soviet Union. In 1994, after they immigrated to Israel, they were on friendly terms, and according to Cherney, since 1996 they also collaborated in business.



The unusual conflict revolves around a promissory note signed by the two in 2003, for a huge amount of about a billion shekels. On the promissory note presented by Gliklad he is listed as the loan provider and Cherney as the debtor, but according to Cherney it is a fraud, and he is the one who actually gave the loan.

In 2009, six years after signing the promissory note, Gliklad filed a suit to the Court in New York demanding that Cherney will fulfill the note and pay him 270 million dollars. Cherney filed a counterclaim. Some time later, on October 2010, Cherney also filed a lawsuit to the Tel-Aviv District Court, through Yaakov Vinrot Law Office. In the lawsuit he argued that in the years 1996-1998 he lent Gliklad 250 million dollars to promote a business venture in Russia.

According to Cherney, as time passed and the debt was not paid, he asked Gliklad to sign a promissory note in his favor, and this is what happened on October 2003. Cherney adds that the signature was made in Vienna, during an evening when he and Gliklad had dinner with other people in a restaurant in town, after they had eaten and drank a considerable amount of alcoholic beverages. According to Cherney, they returned late to the hotel lobby, and he brought from his room the promissory note which was prepared for him in Russian. He presented it to Gliklad, who read and signed it and asked Cherney to sign it as well.

According to Cherney, only a year later he found out that he accidentally signed the place provided for the debtor instead of the place provided for the loan provider. Cherney argues that Gliklad therefore used a fake promissory note, and this is why he ordered him to pay 270 million dollars.

### **A friendlier forum**

Gliklad, who did not file a statement of defense to Cherney's suit, received on March 2011 a judgment ex parte stating that he is the debtor. Gliklad argued that the judgment was reached with underhanded opportunism, even before the deadline for the submission



of his statement of defense has passed, and a few days later, as revealed in “Calcalist”, filed a request to cancel the judgment. The request relies on an e-mail correspondence between Cherney’s attorneys in Israel and his American attorneys.

According to the correspondence which submitted to court, the attorneys from Vinrot Law Office wrote to the American attorneys that a judgment was received in Israel in his favor. David Bamberger, Cherney’s attorney in New York, wrote in response that Gliklad and his people “will be screaming bloody murder today. We have to play this card in the exact right way”. Gliklad sees this wording as evidence to a “cheap and dirty trick” designed to move the discussion from New York to Tel-Aviv.

On May 23<sup>rd</sup> this year, about two months after the judgment in Israel, The Supreme Court in New York ruled that the jurisdiction on this lawsuit belongs to it, and that Cherney filed the suit in Israel while the reciprocal lawsuits are still pending in New York. About two weeks ago the Court issued a warrant prohibiting further hearing of the lawsuit in Israel, and the Judge added that Cherney’s chances are “very unreasonable” – including his argument that he signed the promissory note while being under intoxication.

**Vinrot Law Office: “Gliklad performed ‘forum shopping’”**

Vinrot Law Office said in the name of Cherney: “There is no dispute that Cherney lent Gliklad 250 million dollars. There is also no dispute that on 2005 Gliklad’s attorney filed a complaint against him in the police, after she found out that he deceived her and forged the promissory note. Moreover, Gliklad sought a refugee status in Canada on the grounds that ‘Cherney has connections with institutions in Israel’ and that ‘the state of Israel cannot protect him’. These arguments did not prevent him at the time from filing a civil lawsuit against Cherney in Tel-Aviv, which was removed on the threshold, including in an appeal to the Supreme Court.

“Then Gliklad chose to perform ‘forum shopping’ and to submit the lawsuit in New York, even though the court in Israel is the natural and proper forum for hearing the



procedures. Gliklad argued that he will not receive a fair trial in Israel. It speaks for itself, and therefore we will carefully examine the American Court ruling”.