

# After rough start, team wins defense verdict in ship case

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Scott Wagner, Clay Naughton and Michael T. Moore  
Photo by Candace West

Case: Seven Seas Cruises et al. v. V. Ships Leisure SAM et al.

Case no: 09-cv-23411

Description: Marine contract

Filing date: Nov. 6, 2009

Bench trial: May 11-26, 2011

Outcome: For the defense

Court: U.S. District Court, Miami

Judge: U.S. District Judge Ursula Ungaro

Plaintiff attorneys: Dan Casey and Christina Paul, K&L Gates, Miami

Defense attorneys: Michael T. Moore, Scott Wagner and Clay Naughton, Moore & Co., Coral Gables

Details: The lawsuit alleged failure by international management services company V. Ships Leisure to maintain three luxury cruise ships: the Navigator, the Voyager and the Mariner sailing under Fort Lauderdale-based Regent Seven Seas Cruises. The cruise line claimed Isle of Man-based parent V. Ships breached technical management and maintenance service contracts, causing increased maintenance and repair costs as well as lost profits.

The ship owner brought claims for breach of oral contract and breach of warranty of workmanlike performance.

The court dismissed associated plaintiffs, leaving \$20 million in claims involving the Navigator and Voyager, which operate in the Mediterranean and Caribbean.

Plaintiff case: V. Ships was responsible for the technical management of the Navigator and Voyager under oral and written contracts and liable for damage to the ships.

Regent claimed the ships were damaged by V. Ships personnel from 2000 to 2009, and the cruise line lost millions of dollars in potential revenue when the ships were drydocked for repairs.

The Navigator, which was the main focus at trial, went into dry dock in 2009 for repairs to its hull, air conditioning system, pool and other facilities. Casey did not return phone calls for comment on the plaintiff case.

Defense case: V. Ships managed the staff and was not responsible for the maintenance of either Navigator or Voyager.

"They tried to say we were responsible for things, such as the instability of the vessel," Moore said. "It's just not something within our ability to correct as a manager."

He pointed to another claim that the Navigator's rudders were insufficient and cracked. "As managers, how are we supposed to address these rudder issues?" Moore asked.

The bench trial didn't start well for the defense. Ungaro chided Moore for the "indignant" look on his face when he couldn't get the case dismissed just before testimony was to begin.

"It was one of those moments in a lawyer's life. I was kind of upset that the case was not being dealt with," he said. "We just all took a deep breath and said, 'Let's get our witnesses together and have faith in the justice system.'?"

Ruling: Ungaro found in favor of V. Ships, writing an extensive history of the cruise ships, the case and onboard management. She noted the Navigator was a retrofitted Soviet ship that was rushed through an Italian shipyard in 2000. "Many spaces of the ship had become rusty or corroded during the 10 years the hull sat unfinished prior to the conversion and remained so at the time of delivery," the judge wrote in a 94-page order.

Ungaro was dismayed by the plaintiff case, writing there was a "glaring failure of the evidence at trial" on the causation of damages: "The court is unable to find that the claimed damages were even partially caused by some action or inaction of V. Ships."

Quote: "One of the real tragedies of this is that companies like V. Ships, they rise and fall on their reputation," Moore said. "They do their best to manage these ships."

Post-Verdict: Moore said he is preparing a motion to recover attorney fees and costs. He also is considering seeking damages for statements made against V. Ships by Regent before the suit was filed.