

U.S. DISTRICT COURT
DISTRICT OF VERMONT
FILED

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF VERMONT

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MICHAEL S. PIECIAK, *in his official*)
capacity as Commissioner of the)
Vermont Department of)
Financial Regulation, as)
Liquidator of Global Hawk)
Insurance Company Risk)
Retention Group,)

Plaintiff,)

v.)

JASBIR S. THANDI,)
GLOBAL CENTURY INSURANCE)
BROKERS, INC., JASPREET SINGH)
PADDA and QUANTBRIDGE)
CAPITAL LLC,)

Defendants.)

Case No. 2:20-cv-00173

**ORDER GRANTING PLAINTIFF’S MOTION FOR SANCTIONS
(DEFAULT) AGAINST DEFENDANT JASBIR S. THANDI**

On March 9, 2022, Plaintiff Michael S. Pieciak, Commissioner of the Vermont Department of Financial Regulation, in his capacity as Liquidator (“Liquidator”) of Global Hawk Insurance Company Risk Retention Group (“Global Hawk”), filed a motion for sanctions (default) against Defendant Jasbir S. Thandi. Mr. Thandi did not oppose the motion. The Court scheduled a hearing for June 10, 2022. Plaintiff was represented by Eric A. Smith, Esq. and Jennifer Rood, Esq. Mr. Thandi was represented by Michael J. Racette, Esq. At the hearing, Mr. Thandi’s counsel advised that Mr. Thandi was not opposing the motion.

FINDINGS OF FACT

The Court makes the following findings of fact:

This is an action by Plaintiff, Commissioner of the Vermont Department of Financial Regulation, in his capacity as Liquidator (“Liquidator”) of Global Hawk Insurance Company Risk Retention Group (“Global Hawk”), against the defendants, Jasbir S. Thandi, Global Century Insurance Brokers, Inc. (“GCIB”), Jaspreet Singh Padda, and QuantBridge Capital, LLC (“QuantBridge”). Global Hawk is a Vermont-domiciled insurance company and risk retention group. It was declared insolvent and placed in liquidation by Order of Liquidator entered by Vermont Superior Court, Washington Unit, in Docket Number 196-5-20-Wncv on June 8, 2020. The Order of Liquidation appointed the Commissioner of the Vermont Department of Financial Regulation as Liquidator of Global Hawk. Mr. Thandi is and, at all relevant times, was the president and treasurer of Global Hawk, as well as a director of Global Hawk. Mr. Thandi is and, at all relevant times, was the president and 100 percent owner of GCIB. GCIB managed the business of Global Hawk, pursuant to managing general agreements with Global Hawk.

Mr. Thandi has appeared in this action and has filed an answer. Dkt. No. 25. He does not oppose the entry of a judgment against him as a discovery sanction. Dkt. No. 102 (Hearing Transcript) at 2:21-23. The Liquidator alleges that Mr. Thandi and others engaged in a scheme to defraud Global Hawk through misappropriation of its assets and misrepresentation of its financial condition that concealed Global Hawk's insolvency from the Vermont Department of Financial Regulation and damaged policyholders and claimants who relied on Global Hawk for insurance protection. For example, the Liquidator alleges that Mr. Thandi, as an officer of Global Hawk, knowingly signed false financial statements that hid Global Hawk's insolvency and overstated its assets. Complaint ¶¶ 23, 71. The Liquidator further alleges that Mr. Thandi

borrowed funds for purposes unrelated to Global Hawk and paid those loans using \$10.7 million of Global Hawk's funds. Complaint ¶¶ 24-27. The Liquidator alleges that Mr. Thandi and GCIB falsely documented capital contributions to Global Hawk by preparing false bank deposit receipts and bank statements and providing them to the captive manager, including signed subordinated notes reflecting purported contributions of \$13.6 million in 2017 and \$9.5 million in 2018 when no more than \$3.5 million was contributed at that time. Complaint ¶¶ 24-28, 30, 32-33, 35-36, 38-46.

On April 21, 2021, the Liquidator served document requests and interrogatories on Mr. Thandi. On June 4, 2021, Mr. Thandi responded and asserted the Fifth Amendment privilege against self-incrimination in response to every document request and every interrogatory. The Liquidator subsequently filed a motion to compel discovery from Mr. Thandi on July 9, 2021, which Mr. Thandi opposed. Dkt. Nos. 47, 55. On December 28, 2021, the Court issued an opinion and an order granting in part and denying in part plaintiff's motion to compel discovery from Defendant Jasbir S. Thandi. Dkt. No. 86. The Court ordered Mr. Thandi to produce the responsive GCIB documents, as well as documents responsive to Requests 1, 2, 25, 26, 29, 30, 39, 40, 41, 42, and 43 of the Liquidator's first set of document requests within 30 days of the Court's order. *Id.* The ^{Order} specifically recognized that Mr. Thandi had control of GCIB's records and was therefore compelled to produce them. *Id.* The deadline for production of these documents under the Court's ^{Order} was January 27, 2022. *Id.* Mr. Thandi did not produce any documents on behalf of either himself or GCIB. The Liquidator accordingly filed an application for a clerk's entry of default against Mr. Thandi on January 31, 2022, based on his failure to produce documents as required by the Court's ^{Order}. Dkt. No. 89.

Rule 37(b)(2)(A)(vi) provides that, if a party fails to obey an order to provide or permit discovery, the court where the action is pending may issue further just orders, including rendering a default judgment against a disobedient party.

Mr. Thandi's blanket objections to the Liquidator's document requests as well as his complete disregard of the Court's ^{CR} Order ~~reflect a pattern of prolonged and vexatious obstruction of~~ ^{CR} ~~discovery with respect to highly relevant records.~~ ^{CR} ~~The Court reviewed the document requests~~ ^{CR} ~~iself and determined that the documents requested were relevant, and ordered compliance only~~ ^{CR} ~~with those that were absolutely necessary for this particular litigation. Although the Rule 37(b) sanction of default judgment is extreme, it is proper in these circumstances. The Court has tried less drastic means of obtaining Mr. Thandi's compliance with the Plaintiff's discovery requests, and the Court's~~ ^{CR} ~~Order, but has been unsuccessful. Mr. Thandi has had ample notice that a default judgment was sought and was~~ ^{CR} ~~likely and has not opposed it.~~ ^{CR} ~~is question,~~ ^{CR} ~~is obtaining such compliance. CR~~

As the Second Circuit observed in *Guggenheim Capital, LLC v. Birnbaum*, 722 F.3d 444, 450-51 (2d Cir. 2013), certain Rule 37 remedies such as dismissing a complaint or entering judgment against a defendant are severe sanctions, but they may be appropriate in extreme situations, as when a court finds willfulness, bad faith, or any fault on the part of the noncompliant party. Mr. Thandi's disobedience of the Court's ^{CR} Order was deliberate and willful ^{CR} ~~and is continuing.~~ ^{CR} ~~On this basis, the Court's entry of a default judgment against him is an~~ ^{CR} ~~appropriate sanction.~~ ^{CR} ~~He is clearly at fault and has offered no excuse or justification. CR~~

CONCLUSION

Accordingly, for the foregoing reasons, it is hereby ORDERED that:


(1) the Liquidator's motion for sanctions in the form of a default ^{judgment CR} against Defendant Jasbir

S. Thandi is granted;

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r *— Judgment CR*
- (2) default is hereby entered against defendant Jasbir S. Thandi;
 - (3) the Liquidator shall make a filing with support concerning the amount of the default judgment requested on or before August 17, 2022; and
 - (4) the Court will then determine whether or not an evidentiary hearing is required.

SO ORDERED.

Dated at Burlington, in the District of Vermont, this 30th day of June, 2022.


Christina Reiss, District Judge
United States District Court