

# HEATED PARTNERSHIP DISPUTE ENDS IN TOTAL VICTORY FOR ARMSTRONG TEASDALE LITIGATION TEAM

Armstrong Teasdale Partners [Glen Waldman](#) and [Nicole Planell](#) secured a complete victory for real estate developers in a dispute with their business partners over a high-end Florida condominium development.

Almost nine years ago, following prior successful real estate development projects, our clients reached out to four longtime friends and business partners to join them as partners in the development of a high-end condominium project, Adagio Fort Lauderdale Beach, on the intracoastal in Fort Lauderdale, Florida. All agreed that one of our clients, as in past projects, would be the manager and run the project with boots on the ground in South Florida and that the six partners would divide profits or losses based on their percentage interest in the project.

Owing to a number of factors including Covid, design changes, increased costs and permitting challenges, which caused substantial delay, this 32-unit residential mid-rise condominium luxury project ended in a modest loss. When it came time to divide the monies remaining after all debts were paid, which was in excess of \$15 million, the other partners balked at the division and insisted that our clients assume all the losses because they purportedly mismanaged the project. They demanded that the four partners get back in full their investment and not share in any loss. Controlling 75% of the deal, they made it clear if they did not get all their money back, no money could be disbursed. Things got nasty and in order to leverage their demand for the full return of their investment, the four partners also accused our clients of theft and self-dealing. Our clients rightfully refused, vehemently denying these accusations from their “friends” and a lawsuit ensued in 2021.

Our clients were forced to file a claim against the other four partners alleging breach of fiduciary duty and breach of the Operating Agreement of the development entity, Costa Bahia, for failing to disburse the remaining monies on the agreed-upon percentage participation basis. The other four partners filed a 22-count counterclaim, suing personally not only our clients but also their sons who had limited involvement in the project, alleging claims of breach of fiduciary duty, negligence, negligent misrepresentation, civil theft,

## PEOPLE

Glen H. Waldman

Nicole P. Planell



conversion, and aiding and abetting in which they repeated their allegations of mismanagement of funds, theft, and self-dealing.

Our clients finally got their day in court starting on September 16, 2024 before a rarity, an all-male jury. During the six-day trial, Armstrong Teasdale Partners Glen Waldman and Nicole Planell called to the stand representatives of all the construction and design professionals, its clients and a CPA hired to review the books and records to combat the claims of fraud, theft and self-dealing. Crucially, it called a neutral third-party CPA from Marcum who it had successfully gotten the court to appoint over significant opposition from the other side during the discovery phase of the case, to testify to his findings that there was no evidence of any theft or misappropriation of funds. As importantly, Waldman eviscerated on the stand the two most vocal partners of the four partners of our clients' wrongdoing before the jury, laying waste to their claims which had zero merit on any level.

At the conclusion of the evidence, the Court granted our clients Motion for Directed Verdict as to six of the ten remaining claims including all of the conversion and civil theft claims (the other side having dismissed a number of its claims right before the trial began). The jury, which got the case Monday evening, did not take long and after 30 minutes of deliberation, returned a verdict in favor of our clients on all claims while rejecting every claim of the four partners and awarded our clients everything Waldman asked for in closing, the full \$3,750,000 plus interest, which now amounts to close to \$4.5 million. With attorney's fees and costs, the ultimate judgment will exceed \$5 million. The 4 partners were represented by Ira Libanoff and Robert Ferencik of Hinckley Allen.

Waldman commented: "It is always rewarding to see justice prevail but even more so when the clients are such good people and have been unnecessarily put through the ringer for so long by supposed friends who were nothing but Monday morning quarterbacks."

Waldman focuses his civil trial practice of over 35 years on complex business, commercial, real estate, construction, land use and probate litigation matters. He is recognized as one of the top civil jury trial lawyers regionally and nationally. As lead counsel he has obtained numerous jury verdict awards in the seven and eight figures and has successfully defended to zero verdict claims of equal size.

Planell focuses her practice on complex business, commercial, construction, and real estate litigation matters. Planell was victorious on her first ever jury trial.

Waldman and Planell were assisted by Senior Litigation Certified Paralegal Mae van Gils.



Armstrong  
Teasdale