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DLA to face off with developer in malpractice case

By [David Lee Matthews](#)



The MDA City Apartments project was finished in 2006. Photo from CoStar Group Inc.

The owner of a Loop apartment tower is heading to trial against DLA Piper U.S. LLP, blaming the law firm for the loss of more than \$18 million after a dispute with the project's general contractor.

A venture led by Farmington Hills, Mich.-based Village Green Cos. accuses DLA Piper of legal malpractice, including six conflicts of interest as it represented the developer in a legal fight with Chicago-based [Walsh Construction Co.](#), also a client of the law firm, according to a complaint filed in Cook County Circuit Court.

The Village Green venture hired DLA Piper – the [nation's largest law firm](#) last year by revenue – in 2003 to negotiate a construction contract with Walsh as it began converting a 24-story vintage office building at 63 E. Lake St. to 190 apartments.

The developer and contractor parted ways after delays at the project, MDA City Apartments, with Village Green blaming Walsh for missing deadlines and other problems, and Walsh accusing the developer of not paying its bills. An arbitrator ruled in Walsh's favor in 2007, awarding the contractor more than \$8 million.

DLA represented Village Green in the arbitration, but a judge dismissed DLA six weeks before the arbitrator's final ruling, saying the law firm had a conflict of interest because it had performed prior work for Walsh. That left the developer with little time to bring a new law firm up to speed on the case, one reason Walsh won its \$8 million award, according to the lawsuit. But the financial hit added up to more than \$18 million because Village Green had been seeking \$9 million against Walsh and had to pay its

new law firm \$1.2 million, the lawsuit says.

'DROPPED THE BALL'

“(DLA Piper) dropped the ball, and more than that they sunk us,” said Ron Benach, an investor in the Loop project.

The case is scheduled to go to trial Aug. 25 after more than four years of discovery and a detour through the Illinois Supreme Court, which ruled on a dispute over emails sent by DLA Piper. Mr. Benach said one attempt at mediation between the two parties failed. He does not expect a settlement before the trial.

“I want more than my day in court,” he said. “I want to make up for my downside.”

Mark Yura, a Chicago-based DLA Piper partner in the firm's real estate practice, declined to comment. Matthew Walsh Jr. of Walsh Construction and Chicago lawyer James D. Roberts of Chen Nelson Roberts Ltd., which represents DLA Piper in the suit, did not return messages. Chicago lawyer Bruce Meckler of Meckler Bulger Tilson Marick & Pearson LLP, which represents the Village Green venture, declined to comment.

Finished in 2006, MDA City Apartments was 90 percent leased at the end of 2013, according to Chicago consulting firm Appraisal Research Counselors. Rents range from \$1,335 for a studio apartment to \$4,570 for a two-bedroom unit.

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