

Plaintiff Wins \$1M Award in Long-Running Perry Homes Redevelopment Case

Developers and a consultant who helped create a residential community on the site of an infamous housing project must pay nearly \$1 million in damages and attorney fees to a woman who claimed she was illegally cut her out of her fees for her work in helping put together the development team and crafting the winning proposal.

A Fulton County Superior Court jury last week awarded Margaret Jones nearly \$560,000 in pre-interest damages, plus \$438,000 in attorney fees for her role in helping put together the bid approved by the Atlanta Housing Authority. The development, now known as West Highlands, includes high-end single-family homes and multifamily residences where Perry Homes once stood in northwest Atlanta.

The losing defendants included two well-known Atlanta-based development companies, Brock Built and Columbia Residential, and Rick White, and his company, Alisias Holding Co.

Jones' claims, which go back nearly 12 years, were that she and White were supposed to share evenly in consulting fees paid by the developers of the \$400 million-plus project.

"They expected [the fees] to be about \$1.2 million, and she'd get about \$600,000," said one of Jones' attorneys, **Richard Robbins**. "That's not very much for such a big project, where three developers were going to share the fees. ... They actually get the project awarded [but] now the developers are saying, 'I don't know you, never heard of you.' Everybody makes money, but Margaret gets nothing. Nobody offered her a single penny for 12 years."

White, from Falls Church, Va., and his company shouldered the bulk of the verdict. The jury said they should pay \$310,000 in damages and \$262,000 in attorney fees. White, who is not a lawyer, represented himself at trial. The Daily Report was unable to reach him.

Columbia Residential was ordered to pay \$183,274 plus \$88,000 in attorney fees. Christopher Phillips of Savannah's HunterMaclean, who represents the company and founder Noel Khalil, said he and firm partner Kirby Mason will file a motion for judgment notwithstanding the verdict regarding the attorney fees unless they can reach a settlement with the plaintiff.

Phillips said Columbia already paid \$182,274 into the court registry because the company admitted that it owed that amount of consulting fees, after paying roughly \$802,000 to White's Alisias Group.

"We believe the verdict against Columbia on both claims for unjust enrichment and attorney fees are legally deficient," said Phillips.

Brock Built was ordered to pay \$65,000 in damages, plus \$88,000 in attorney fees. Polsinelli shareholder Joseph Sharp and associate Matt Knoop represented the company and its founder, Steve Brock.

While the verdict was "substantially less than requested," Sharp said he likely would pursue post-trial motions and an appeal, if necessary.

According to court filings, the development partnership was formed in 2000, after the housing authority razed the crime-ridden, dilapidated Perry Homes projects and began soliciting plans to revitalize the sprawling site.

Jones had experience doing PR work for the housing authority and with White, according to the pretrial order.

The exact origins of the partnership are in dispute, but according to Jones' version it began when she learned of the housing authority's plan and contacted Carl Drury to discuss putting in a bid including a golf course, single-family and multifamily components.

They enlisted White, according to Khalil's version, who approached Khalil about providing the multifamily segment of the project. Khalil, in turn, suggested that Brock provide the single-family element.

The result was the creation of Perry Homes Redevelopment LLC, comprising two teams: the development team—Brock Built, Columbia and the group working on the golf course—and the consulting team—White and his company, Alisias, and Jones and her company, Jones & Associates.

The multiple accounts said that there were discussions about how the parties would be paid. Khalil's portion said the parties agreed Columbia would pay 20 percent of any development fees it received to Alisias. There was an understanding that those fees were to be split with Jones, it said, although that agreement was apparently never formalized.

Brock and Brock Built's portion of the order said that they "did not hire Jones; never requested Jones do anything on his or Brock Built's behalf," and rejected her request to provide services.

Drury's portion said that Perry Golf had never promised to pay Jones anything, adding that it lost \$1.8 million in futile work for the never-realized golf course.

All the parties agreed that there was never a signed agreement whereby Jones was to be paid.

In 2003 Jones sued the developers, White and Alisias and Perry Homes Redevelopment, asserting claims of breach of contract, unjust enrichment, promissory estoppel and fraud.

Several cross-claims were filed, and in 2011 the Georgia Court of Appeals remanded the case after having reached a variety of conclusions on five separate appeals.

Robbins said there were never any settlement discussions or mediations.

"The defendants could not get together enough to settle," he said.

By the time of trial, the claims had been whittled down to allegations of unjust enrichment against all parties;

Khalil and Columbia were also cited for fraud and estoppel, and White and Alisias were accused of breach of contract and were also cited for estoppel. Attorney fees were sought from all defendants.

During a six-day trial before Fulton County Superior Court Judge Alford Dempsey Jr., **Jones was represented by Robbins and fellow Robbins Ross Alloy Belinfante Littlefield lawyers Alexa Ross and Heather Sharp.**

Robbins said the plaintiff's only witnesses were Jones and former Atlanta Housing Authority General Counsel and Deputy Executive Director Carol Naughton.

"She testified that having Margaret involved meant a lot to the Atlanta Housing Authority because they knew her and had worked with her before," said Robbins.

Robbins said White did a good job representing himself. "He asked some of the best questions," said Robbins. "He just had bad facts. He couldn't overcome the evidence that he'd agreed to split the fees."

Robbins said he asked for about \$1.3 million in damages and fees.

On March 3, the jury took about three hours to reach their verdict.

"They didn't ask a single question," he said, describing the panel as highly professional and well-educated.

Robbins, who has represented Jones since the suit was filed in 2003, said it's the longest-running case he's ever handled and that he hoped the verdict would end it.

"I know our client would like to resolve it, but the way it's going I'll probably have this case until I retire 10 years from now," he said.