

# Kelley Drye Wins Jury Trial on Behalf of Prominent LA Philanthropists

June 19, 2013

On June 19, 2013, after an eight-day jury trial in the Los Angeles Superior Court, the jury returned a unanimous verdict in favor of three limited partner investors represented by Kelley Drye attorneys, with invaluable assistance from paralegal **Sara Kambestad**. Kelley Drye represented the 91-year old widow and two sons of Morris Pynoos, a highly respected engineer, developer, inventor, art collector, and philanthropist in the Los Angeles community. In the mid-1970s, Mr. Pynoos formed a limited partnership to complete and operate the most valuable apartment complex in Marina Del Rey, CA, with limited partners including Charles Bronson, Richard Chamberlain, Glenn Ford, and a host of other Hollywood luminaries. In 2002, Mr. Pynoos arranged for the sale of the complex for \$82.5 million to Archstone-Smith, the nation's largest operator of deluxe apartment complexes. Because the sale closed after Mr. Pynoos' death in 2002, the other general partner, defendant Stephen Massman, took control of the partnership's finances. In distributing the \$50 million in cash received from the sale, Massman short-changed Mr. Pynoos' widow and sons through a variety of contractual and fiduciary breaches. Kelley Drye filed the lawsuit on behalf of the Pynooses in early 2012.

At the end of the trial, the jury returned a unanimous (12-0) verdict that Massman ultimately breached both the operative partnership agreement and his fiduciary duties to each of the three plaintiffs, awarding over \$500,000 to the plaintiffs in compensatory damages plus prejudgment interest. The compensatory damages matched, to the dollar, the damage analysis of plaintiffs' accounting expert. The jury further concluded that Massman had acted toward each plaintiff with malice, oppression, or fraud, and unanimously awarded an additional \$1 million in punitive damages to the plaintiffs, for a total judgment in excess of \$1.5 million.