

The Real Deal Quotes Partner Michael C. Lynch on Donerail's Win in 405 Park Avenue Dispute

October 10, 2012

The Real Deal article, "Donerail Can Keep \$38.6 Million Deposit in Failed Deal for 405 Park Avenue," reported a New York appellate court upheld summary judgment against developers Laurence Gluck, Steve Witkoff and Westbrook Partners for failing to close on a Manhattan office building. The developers, who formed an entity named 405 Park LLC, entered into an agreement with the property owner, Donerail Corporation. In June 2007, the prospective buyers agreed to purchase the office building located at 405 Park Avenue for \$178.5 million, paying a \$38.5 million deposit. Prior to the final closing date, the commercial real estate market declined precipitously. Donerail alleged that 405 Park LLC tried to walk away from the deal because it became more financially advantageous to do so. 405 Park LLC walked out of the closing room without paying the purchase price and argued that Donerail failed to deliver unencumbered title.

The appellate panel of the Supreme Court of New York upheld the lower court's decision in favor of Donerail, granting it the \$38.5 million deposit plus \$600,000 in accrued interest.

The article stated, "The attorney for Donerail, **Michael Lynch** of Kelley Drye & Warren, said in a statement: '405 Park aggressively pursued these claims, but it was clear from the facts that they were always looking for a way to exit the agreement and force Donerail to refund the deposit. [They] never intended to close on this transaction.'"

To read the full article, click [here](#).