

SNELL & WILMER PREVAILS AT TRIAL IN LAND DEVELOPMENT CASE

PHOENIX (June 6, 2012) - Snell & Wilmer attorneys Brian Foster, Julie Maurer and Rob Schwimmer, recently prevailed at trial, obtaining a full defense verdict for Pinnacle Trails, LLC, Pinnacle Vistas, LLC, and Futuro D'Esperanza LLC (collectively, "Futuro"). The jury found against the Plaintiff on all of his claims seeking \$5.85 million and awarded Futuro approximately \$1.7 million on its counterclaims.

The events that formed the basis of the lawsuit arose in 2004, when Plaintiff discovered 80 acres of property in North Scottsdale by Pinnacle Peak. The mountainside property is bordered by Estancia and Desert Highlands. Plaintiff made various representations about the zoning and entitlement process and his own credentials which later proved to be false. Based on these representations, Futuro purchased the property for \$12.5 million in 2004.

Futuro then entered into written contracts with Plaintiff, which provided that Plaintiff would develop the property at Futuro's expense, that he would have control over all development decisions and that he would be the developer until he resigned or died. For his efforts, Plaintiff was to receive 15% of the profits from the sale of lots.

From 2004 to 2007, Futuro spent an additional \$6,000,000 developing and marketing the property at Plaintiff's sole direction. After numerous delays in getting the property re-zoned and a final plat issued along with significant cost overruns, Futuro terminated Plaintiff in April 2007. Property appraisals at the time of Plaintiff's termination showed the value of Plaintiff's 15% share of anticipated profits to be approximately \$9,000,000. Plaintiff was offered \$1.8 million to settle when he was terminated. He declined.

At trial, Plaintiff claimed that Futuro fired him because the development was nearly done and Futuro did not want to pay Plaintiff his 15% of profits pursuant to the contracts. Plaintiff also claimed that Futuro prevented him from making any sales of individual lots due to their delays in transferring the property to Futuro, a transaction necessary to secure capital gains. Futuro testified that Plaintiff was not the experienced developer he had represented and that their decision to terminate him had nothing to do with taking his share of profits. There was also significant testimony from Futuro that Plaintiff had significantly overstated his qualifications in person and on his resume.

About Snell & Wilmer L.L.P.

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