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ALM DAILY BUSINESS REVIEW

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THE RODENT: WITH SUMMER ALREADY HERE, LET FAMILY FUN BEGIN

The Rodent says working from before sunup to after sundown during the school year pays off with the prospect of familial summer fun. Or maybe not. **A4**

PRACTICE FOCUS: INSURANCE LAW

Ronald L. Kammer and Sina Bahadoran write about a recent Eleventh U.S. Circuit opinion that asks Florida's Supreme Court to consider whether extrinsic evidence can be used to interpret



Kammer



Bahadoran

CONTRACTS \$8 million sought for alleged breach of lease

Landlord sues Hogan Lovells after it left flooded offices

by **Gregg Fields**
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On Jan. 5, the offices of the Hogan Lovells law firm in Miami's Brickell district were flooded, forcing the law firm to relocate.

Now, the landlord, a limited liability company called 1111 Brickell Office, says the law firm owes it more

than \$8 million for breach of lease.

The issue: After the flood at the 1111 Brickell Ave. building, Hogan Lovells sent a letter terminating its lease, which runs until 2015. The lease allows Hogan Lovells to terminate the agreement if its offices are destroyed "to the extent of 25 percent or more of the replacement cost," according to the complaint,

filed in Miami-Dade Circuit Court.

But the landlord, represented by Robert Allen Law, said Hogan Lovells "substantially overstated the replacement cost of carpeting and used an unreasonably high estimate for demolition and construction."

The damage claim, it alleges, was

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HOGAN: Suit questions Hogan's definition of 'premises'

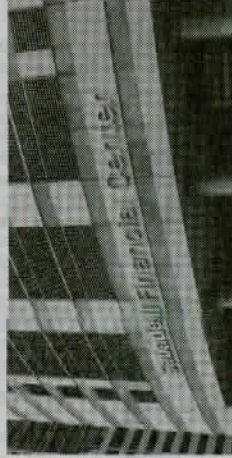
simply a ruse to find smaller quarters at a better rate elsewhere.

The building in question, better known as the Sabadell Financial Center, is 31 stories tall. A leak started on the 22nd floor and damaged most offices beneath it. Hogan Lovells was on the 19th and 20th floors.

Hogan Lovells first went to temporary quarters at 2525 Ponce de Leon Blvd. in Coral Gables and has since relocated to the Southeast Financial Center at 200 S. Biscayne Blvd. However, it has been reported that the firm is shopping for space at 600 Brickell Ave., a new tower.

The dispute appears to center on how the word "premises" is defined. The 25 percent lease termination rule applies to premises, but there is disagreement on what that covers. Hogan, in calculating its losses, included secretarial stations, "which are removable trade fixtures that are not part of the 'premises' as defined in the office lease," the lawsuit reads.

In its termination letter, Hogan Lovells defined "premises" as the improvements it made, the complaint said, an assumption that "ignores the plain meaning of the office lease and the defined terms contained therein." Besides, the law



J. ALBERT DIAZ

A leak in the Sabadell Financial Center flooded Hogan Lovells' offices in January.

firm's estimated damage was "overstated and inflated," the landlord added.

Hogan Lovells "did not have the right

to terminate the office lease and its termination letter constitutes [an] unjustifiable breach of the office lease," the complaint states. It said it has the right to accelerate all future payments due under terms of the lease. The landlord declined to comment further.

"We take issue with the complaint and reject any notion of liability on behalf of the firm," the law firm said in a statement. "We regret the decision of the landlord and will continue to move forward with our claim."

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