

Chicago Jury Hits Atty With \$10M Malpractice Verdict

By **Celeste Bott**

Law360 (May 19, 2021, 8:37 PM EDT) -- An Illinois federal jury has reached a \$10.2 million verdict against an attorney in a malpractice lawsuit brought by a former client who alleges he was swindled in a real estate deal.

Following a five-day trial, jurors on Tuesday awarded about \$10.2 million to investor Joseph Mizrachi, who alleged real estate lawyer Lawrence Ordower and his firm, Ordower & Ordower PC, fumbled their work for him in a \$1.3 million investment that was supposed to leave him with a significant interest in an entity that owned rent-generating warehouse properties in Colorado and North Carolina.

Instead, Ordower and another client-investor "exploited" the firm's own failure to properly document the deal and "the absence of fully-executed operating agreements" to claim ownership of Mizrachi's interests, according to the suit, which was filed in 2017.

Mizrachi accused Ordower and the firm of legal malpractice and breach of fiduciary duty, and sought at least \$15.8 million in compensatory damages, along with interest and attorney fees and costs.

Counsel for the parties did not immediately return requests for comment on the verdict on Wednesday.

Ahead of the trial, in August of last year, U.S. District Judge Matthew Kennelly granted Ordower partial summary judgment in the case, ruling that Mizrachi couldn't recover legal expenses he incurred against Ordower in other lawsuits and that he could not recover punitive damages on either of his claims.

In his bid for summary judgment, Ordower had argued there was no attorney-client relationship between him and Mizrachi and therefore no breach of a fiduciary or attorney-client duty. But the judge found genuine factual disputes concerning the existence of that relationship between Mizrachi and Ordower, and Ordower's alleged breach of duties, leaving those questions up to the jury.

And he held that Mizrachi couldn't recover putative damages on his fiduciary duty claim, saying the allegations underlying it involved legal malpractice, for which punitive damages can't be recovered under Illinois law.

Ordower also later sued Kilpatrick Townsend & Stockton LLP, claiming that because the firm had advised Mizrachi on the matter, it should thus bear some responsibility for any adverse result that came out of

the Mizrachi's lawsuit, according to court documents. But the court threw out that case in February 2019, determining that it did not have jurisdiction.

Mizrachi is represented by Lee H. Rubin and Abigail M. Bartine of Mayer Brown LLP.

Ordower and his firm are represented by John D. Dalton, Mary Kay Morrissey and Molly J. Blaase of O'Hagan Meyer.

The case is Mizrachi v. Ordower et al., case number 1:17-cv-08036, in the U.S. District Court for the Northern District of Illinois.

--Additional reporting by Kevin Penton and Andrew Strickler. Editing by Kelly Duncan.