

FOR IMMEDIATE RELEASE:

Date: January 2016

Re: **Client Wins Limited Liability Company Member Dissociation Case**

Contact: R. Peyton Mahaffey, mahaffey@mccandlishlawyers.com,
703-273-2288

(2016) Jay C. Taustin, et al. v. H. Christopher Antigone, et al., Fairfax County Circuit Court, Case No. 2011-11072 and No. 2011-11073, Consolidated.

R. Peyton Mahaffey, William J. Bethune, and Bethany B. Ingersoll of McCandlish Lillard won a recent limited liability company member dissociation case in the Circuit Court of Fairfax County. In a remarkable 30 minute Ruling following a two-week bench trial, a Fairfax County Circuit Court judge has ordered Northern Virginia realtor/developer H. Christopher Antigone to be removed from the limited liability companies that he had managed for over two decades, and which control nearly 279 acres of land adjacent to Dulles International Airport and located on the Silver Line of the Washington Metro which is currently under construction.

The Court's bench ruling followed a two-week trial, and its Final Order found that Antigone's conduct "**shocked the conscience**" of the Court. Judge David Schell further noted that he considered the attempted unjust enrichment by Antigone to be "**staggering**." Accordingly, Judge Schell judicially expelled and dissociated Antigone as a member of the Companies, terminated his rights to participate in the management and affairs of the Companies, leaving Antigone as an assignee of his economic interest in the Companies which he had run for more than two decades. In light of Antigone's dissociation under Virginia's Limited Liability Company Act for willful and persistent material breaches of the Companies' operating Agreement, and for conduct making it not reasonably practicable to continue to do business, the Court held that it was therefore unnecessary to grant Taustin's requested alternative relief of judicial dissolution pursuant to Virginia Code 13.1-1047. The Court found insufficient evidence to support any of Antigone's counterclaims for dissociation, all of which were dismissed with prejudice.

The property, located near the anticipated Dulles Gateway Silver Line Metro stop just past Dulles International Airport, has peaked the interest of developers in the region. Its value has been rumored to be in the hundreds of millions of dollars depending upon its ultimate zoning and usage.

The case styled ***Jay C. Taustin, et al. v. H. Christopher Antigone, et al.***, Fairfax County Circuit Court, Case No. 2011-11072 and No. 2011-11073 (consolidated) pitted the partners and one of two voting members of the two companies on the one hand against Antigone as the other voting member against one another. Antigone was found to have spent the Companies' (two Virginia Limited Liability companies, Dulles Gateway Associates, LLC and TAB I Associates, LLC) funds without the other voting member's knowledge or approval in violation of the Operating Agreements ("**OAs**").

The state Court cases were consolidated, and went to trial on the merits on December 7 through December 17, 2015, after thorough discovery, pleadings, testimony, evidence, and argument of counsel. The Court found that Antigone materially breached the OAs by failing to prepare a yearly operating budget; by spending money well in excess of what was allowable; by spending hundreds of thousands of dollars of the Companies' money without approval of the other voting member; by spending hundreds of thousands of dollars of the Companies' money over the objections of the other voting member; by obligating the Companies without the approval of the voting members; by engaging in conduct that alienated the other voting members to the point that no trust existed; by attempting to divest the other members of the Companies' property worth tens of millions of dollars for a mere \$166,000 through the improper use of the OAs default mechanism; that Antigone ignored votes and wishes of the other members by spending money he had no right to spend; and continued to run the Companies as if they belonged solely to him.

The trial judge also rejected a motion by Antigone to stay the decision pending an Appeal to the Virginia Supreme Court. The property, which was the subject of a purported development proposal known as "International City," comprised of a 14 million square foot conceptual development on roughly 279 acres north of Dulles International Airport. As a possible development, it was envisioned to include a major convention center, an entertainment district, over 4,000 hotel rooms, office towers and other cultural amenities.

* * * * *

McCandlish Lillard, with offices in Fairfax and Leesburg, has been meeting the legal needs of businesses and individuals in Northern Virginia and throughout the Commonwealth for more than 100 years. For more information regarding McCandlish & Lillard, P.C. or the above, contact R. Peyton Mahaffey (703) 934 1168, or the Firm at (703) 273-2288 or visit the Firm's website at www.mccandlishlawyers.com.

Any prior case results discussed or cited on this website do not guarantee or predict the same or a similar outcome in your case or any other future cases. Each case or legal issue is different, and the outcome of each case depends on a variety of factors that are unique to that case or matter.