



Raymond N. Hannigan

Partner

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Ray Hannigan represents something rare in today's hyper-specialized legal services world: an aggressive real estate litigator known for outstanding results, as well as a seasoned dealmaker who regularly advises on a wide range of domestic and international real estate transactions.

This combination allows Ray to navigate through a wide array of client challenges, from institutional battles for control of billions in assets, to high-profile partnership disputes over family-owned real estate interests.

In managing these intricate matters, Ray often uses litigation as a strategic tool to bring parties to the bargaining table – and to a mutually satisfactory resolution – faster. Once an agreement is reached, Ray's extensive transactional experience allows him to close the deal, achieving greater continuity and efficiency for his clients.

Real Estate Litigation + Dispute Resolution

Ray is recognized as one of New York's top real estate litigators. He frequently advises prominent clients seeking a competitive advantage, including lenders, owners, developers, opportunity funds, title companies, banks and other real estate players. Ray has litigated – and won – a wide variety of actions involving contract, brokerage, construction and leasing disputes, as well as lien law issues. He also regularly handles workouts and foreclosures of complex mortgage loans. Ray has also represented every major title insurance company in New York, often acting as special appellate counsel on difficult appeals.

Transactional Real Estate + Litigation Value Added

Ray has helped clients make the unlikeliest of deals come to fruition, calling on his comprehensive experience, and his strong relationships with buyers and sellers. Ray began his career as a transactional real estate lawyer, closing sophisticated deals including property sales, acquisitions and development projects, as well as numerous complex commercial mortgage loans, often involving securitizations initiated by investment banking clients. This diverse experience gives him valuable insights into how agreements should be structured and provisions crafted in order to prevail should judicial enforcement be necessary.

New York + Overseas

While based in New York City's vibrant real estate market, Ray has also represented clients with real estate and business interests from around the world. He immerses himself in new cultures in order to navigate cultural differences and better advise his international clients in countries such as Korea, Japan, Russia, Ukraine, Bulgaria, France, Holland, Switzerland and Luxembourg. Ray is also proficient in Italian, Japanese and French.

Services

- Litigation
- Real Estate Litigation & Dispute Resolution
- Real Estate Restructuring & Foreclosures
- Real Estate

Education

- New York Law School (J.D., *magna cum laude*, 1987)
 - Notes and Comments Editor, New York Law School Law Review
- University of Florida

Publications

July 14, 2010

Consider Pursuing Guarantors in State Court
New York Law Journal

September 2008

Advice on Defaulted Loans

November 2007

Federal Court Dismisses Foreclosure Actions After Loan Servicer-- Fails to Prove Ownership of Loan Documents

October 12, 1998

Tort Claims Against Title Insurers Will Likely Fail
National Law Journal

Matters

R Squared Affiliates - Island Hills Golf Club, Long Island

Represented affiliates of R Squared LLC in the acquisition and financing of the final piece of the former Island Hills Golf Club located in Sayville, New York. R Squared plans to develop luxury rental apartments at the property under its Greybarn brand.

DH Property Holdings and FBE Limited Affiliates - \$151.5 Million Ten-Property Portfolio Acquisition

Represented affiliates of DH Property Holdings and FBE Limited LLC in the \$151.5 million acquisition of a ten-property multifamily and office property portfolio from affiliates of the Braun Family, and the flip of parts of the portfolio to other investors.

Community Preservation Corporation - Real Estate Litigation

Outside counsel to CPC, a leading provider of capital for affordable housing in New York state, in numerous foreclosure actions, many involving stalled condominium development projects that are resolved through litigation or loan workouts.

Fetner - Durst Fetner Residential Business Divorce

Represented Fetner in business divorce negotiations, and the buyout of the Durst family's interests in the luxury rental building Epic, on West 31st Street in Manhattan. The transaction was part of a \$740 million business divorce between the Fetner and Durst families.

Mezzanine Lenders - Stuyvesant Town-Peter Cooper Village Litigation

Herrick and co-counsel successfully represented junior lenders in litigation related to the foreclosure of Stuyvesant Town-Peter Cooper Village, Manhattan's largest housing complex, which our clients alleged was based on a flawed premise, designed to provide an unjust

windfall of approximately \$1 billion to the defendants at the expense of junior lenders. This litigation, fought primarily in New York state court, was ultimately settled in an agreement that resolved all claims between the parties and helped clear the way for a future sale of the complex.

Real Estate Developers - Summary Judgment in Litigation over Recourse Provision in Mezzanine Loan Guaranty

Defense of the guarantors of a multimillion dollar mezzanine loan secured for the development of several Florida condominium projects in an action filed by the lender in New York federal court. Seeking the full outstanding balance of the loan with interest, an amount totaling nearly \$190 million, the lender claimed that certain transfers out of an escrow account holding condominium purchasers' deposits triggered a full recourse provision in the guaranty. Herrick successfully argued that the full recourse provision of the guaranty was never triggered, obtaining a ruling granting our motion for summary judgment and dismissing all claims against our clients.

Fashion Designer - Flagship Manhattan Store Leasing Dispute

Represented, as co-counsel, one of the world's largest luxury fashion designers, as plaintiff, in litigation with the landlord of its flagship Manhattan retail location. Victories on behalf of the client included a ruling enjoining the landlord from terminating our client's lease, an order for our client to continue paying the current rent under the lease rather than a much higher amount requested by the landlord, and a decision rejecting the landlord's motion for our client to post an \$83 million bond related to plans to demolish and redevelop the site. The dispute was resolved in a settlement, pursuant to which the client obtained a new, long-term lease.

Real Estate Investor - Successful Prosecution of Breach of Contract of Sale Agreement

Achieved a significant victory on behalf of a major New York City real estate investor in a breach of contract dispute with the would-be-buyer of five of our client's multiple-dwelling residential properties, who breached a contract of sale between the parties by failing to fully pay the agreed upon down payment as required in the agreement. The court granted our motion for partial summary judgment, striking the defendant's affirmative defenses, denying the defendant's cross motion for leave to amend its answer to interpose counterclaims, and ordering the defendant to pay \$850,000 in damages, plus interest, to our client.

Affordable Housing Lender - Foreclosure of \$17.5 Million in Mortgages Secured by Brooklyn Condominium Project

Herrick represented a major NYC affordable housing lender in hotly contested litigation to foreclose on more than \$17.5 million in mortgages secured by a stalled condominium project located in Clinton Hill, Brooklyn. Brought in by the client as replacement counsel, Herrick secured the appointment of a receiver to take control of the property, shut down lender liability claims raised by the borrowers in both the underlying foreclosure action and a parallel action filed in another court, and then succeeded in obtaining a final judgment of foreclosure and sale. When the borrowers filed for bankruptcy in an effort to derail the sale, we won a judgment allowing the receiver to remain in place while we moved to lift the automatic stay blocking continuance of the foreclosure proceedings. Having brought the foreclosure action to the brink of completion, Herrick positioned our client to successfully sell the note and mortgage to a developer, releasing our client from this litigation.

Summary Judgment Granted in Commercial Leasing Dispute over Unauthorized Amendments

Successfully argued for summary judgment on behalf of a real estate development and management firm in litigation over unauthorized and counterfeit amendments made to a lease by a commercial tenant in a Gramercy Park area property recently acquired by the client. In its ruling, which granted our motion in its entirety, the New York County Supreme

Court ordered the defendants to vacate the premises and scheduled an inquest to determine money damages on our claims for back rent and holdover use.

Lender and Special Servicer - \$126 Million Mortgage on Miami's Shore Club Hotel

Represented the lender and mortgage servicer in litigation against a hotel developer filed in Nassau County Supreme Court and in the Appellate Division, Second Department. The underlying dispute involved an action filed by our clients in Florida seeking to foreclose the \$126 million mortgage on the Shore Club Hotel in Miami, and the hotel developer's ultimately unsuccessful attempts to derail that action. Having slipped a purchase option into a hotel tenant's lease, which purported to convey to the tenant a right to purchase the mortgage loan at fair market value, the developer then "purchased" the option from the tenant and sought to enforce that option in the Florida foreclosure action. On the eve of an expected adverse ruling in Florida, the developer brought its claim to Nassau County, where the trial court granted a preliminary injunction, effectively preventing our clients from foreclosing the mortgage. We filed an appeal and obtained a reversal, resulting in the dismissal of the Nassau County action. Leave to appeal was denied by New York's Court of Appeals.

Real Estate Investor - Acquisition and Foreclosure on \$5.7 Million in Loans Secured by Manhattan Property

Represented the distressed real estate investment arm of a global financial services firm on the acquisition of defaulted loans secured by a development project in the Washington Heights section of Manhattan, and the successful defeat of a foreclosure action brought by an entity tied to the borrower.

Royalton Capital - Bushwick Property Acquisition and Development

Represented Royalton Capital on the acquisition of a three-acre industrial site in Bushwick, Brooklyn. The deal included the structuring of two joint ventures and financing from AllianceBernstein. Plans are to develop the property into a mixed-use office, retail and restaurant space.

LI Real Estate Developer - Suffolk Golf Club Acquisition

Represented a Long Island developer on a complex acquisition of a large golf club in Suffolk County which required sophisticated financing and litigation to assist them in gaining control of the property for redevelopment as multi-family.

Property Owners - Dismissal of Action Seeking Specific Performance

Herrick successfully argued for the dismissal of claims for breach of contract and specific performance filed by plaintiffs following our client's termination of a contract for the sale of real property located in Brooklyn, New York. Agreeing that the plaintiffs had failed to satisfy a critical mortgage contingency requirement under the contract, the court dismissed the complaint in its entirety. Plaintiffs' appeal of the decision to the appellate division was also successfully rebuffed.

Lender - Times Square Hotel Enforcement Action

Represented the lender of a \$65 million loan to fund the acquisition of a Times Square area hotel following the alleged breach of a provision in the loan agreement requiring that a restaurant tenant servicing the hotel be opened to the public by a specific date. This litigation was ultimately settled favorably after hard fought litigation.

Property Owners - Real Estate Brokerage Dispute

Represented property owners in litigation and negotiated settlement arising from a real estate broker's alleged breach of fiduciary duty while acting on our clients' behalf to broker four properties located in New York City's East Village and Lower East Side.

Private Equity Fund - Temporary Forbearance Agreements

Represented a private equity fund in several temporary forbearance agreements with respect to loans secured by real property in Las Vegas, Nevada.

JP Morgan Chase - Fraud Litigation Victory

Represented JP Morgan Chase in a suit brought by a borrower's principal and guarantors alleging that our client had impermissibly drawn down on a letter of credit provided as a security for a loan on a piece of property in Harlem. Herrick won summary judgment and the borrower appealed. The First Department affirmed the lower court's dismissal of the complaint. The decision clears the way for the ultimate foreclosure of the property.

National Black Theatre - Real Estate Litigation Victory

Representation of the National Black Theatre in winning summary judgment against its partner Nubian properties in a real estate breach-of-contract suit involving National Black Theatre's landmark headquarters at the corner of 125th Street and 5th Avenue in Harlem, also known as "National Black Theatre Way."

Samsung Corporation - NY Real Estate Development

Represented Samsung Corporation in connection with a mixed-use real estate development in the New York region. We worked closely with Samsung's executive and due diligence team in negotiating the purchase and key documents, completing the due diligence and locating a local developer partner in the U.S.

Real Estate Developer - Mitchell Lama Contract Dispute

Represented a major developer in enforcing a \$100 million contract to sell a Mitchell Lama project on Roosevelt Island, New York. The trial court dismissed our complaint, but the Second Department, relying on our legal arguments, reversed the lower court and permitted the claim for specific performance to move forward. (*R.I. Island House LLC v. North Town Phase II Houses, Inc.* (2nd Dep't, May 2008)).

IBE Trade v. Litvinenko - International Litigation Over Privatization

Represented IBE Trade, an international manufacturer and trader of fertilizers, in a complicated case involving the theft by an employee of an entire factory. IBE Trade purchased the factory from the Bulgarian government as part of a privatization program. An IBE employee named Litvinenko then conspired with rogue elements in Bulgaria to fraudulently seize control of the plant, stripping IBE of its ownership interest.

Herrick sued Litvinenko in New York and, after a several-week trial, the trial court ruled in IBE's favor, ordering him to return of control of the plant to IBE and to pay \$11 million in damages. Litvinenko refused to comply and was jailed for contempt, remaining incarcerated for over a year and half. Numerous appeals ensued and all, including the incarceration for contempt, were ultimately upheld.

(*IBE Trade Corp. v. Litvinenko*, 288 A.D.2d 125, 733 N.Y.S.2d 161 (1st Dept. 2001)(Affirming finding of contempt); *People ex rel. Kuby v. Warden, Brooklyn House of Detention*, 305 A.D.2d 339, 757 N.Y.S.2d 889 (2nd Dept. 2003)(Refusing to release Litvinenko from incarceration after over a year in jail); *IBE Trade Corp. v. Litvinenko*, 298 A.D.2d 285, 748 N.Y.S.2d 741 (1st Dept. 2002)(Affirming post-trial decision and judgment awarding ownership); *IBE Trade Corp. v. Litvinenko*, 835 N.Y.S.2d 557 (1st Dept. 2007)(Affirming \$11 million judgment).

Iqbal LLC - Finger Building Dispute

Represented Iqbal LLC in a hard-fought and much-publicized battle between developers over the controversial "Finger Building" in Williamsburg, Brooklyn. Herrick won a decisive victory, forcing the defendants to reduce the size of their proposed building by six stories in height -- a major victory that tipped the balance in that litigation. (*Iqbal v. Five M. LLC* (Slip Op. Kings Co. 2007))

Creative Kids Enrichment - Lease Dispute

Represented a commercial tenant in an action against its landlord seeking damages for the landlord's failure to comply with a lease provision requiring completion of the building by a date certain. Herrick successfully prosecuted the litigation, and defended and argued an appeal, with the client ultimately winning both that appeal and the trial seeking lost profits and other extensive damages. (Creative Kids Enrichment, LLC v. Yorktown Office Warehouse, LLC, 838 N.Y.S.2d 149 (2nd Dep't 2007))

RM 14 FK Corp. v. Bank One Trust Company - K-Mart Mortgage Dispute Appeal

Representation of a title insurer in its appeal of a trial court's decision permitting a litigant to proceed with its claim seeking to void \$30 million in mortgages encumbering 14 K-Mart stores throughout the US. The Appellate Division unanimously reversed the lower court, granting summary judgment for our client. (RM 14 FK Corp. v. Bank One Trust Company, 831 N.Y.S.2d 120 (1st Dept. 2007))

Bain v. Silverpoint - International Finance Dispute

Represented the owner of an Estonian galvanized steel plant known as Galvex in his dispute with Silverpoint, a hedge fund. The owner sued Silverpoint for breach of an agreement permitting the owner to sell or restructure the plant's debt, and promising to pay the owner millions of dollars. Silverpoint moved to dismiss the case on jurisdictional and forum non conveniens grounds, but Herrick defeated the motion and the litigation proceeded to a satisfactory conclusion in New York. (Bain v. Silverpoint (Slip Op. N.Y. Co. 2007))

Severodonetsk Azot - Stopping Improper Government Seizure of Privatized Plant in Ukraine

Representation of a U.S.-based chemical company in a hard-fought dispute over the massive chemical plant, *Severodonetsk Azot*, in Eastern Ukraine. Corrupt political forces in Ukraine took control of our client's plant through the commencement of a bogus lawsuit in Kiev and the outright seizure of the plant by a private militia. Herrick argued an appeal in Kiev's court of appeals and also met, in Kiev, with Ukrainian ministries and the U.S. Embassy as part of a concerted effort to exert political pressure on the Ukrainian government to end the illegal actions.

As part of these efforts, Herrick alerted the *New York Times* to situation and the *Times*, in investigating the story, uncovered that the political dispute over the *Severodonetsk Azot* plant had led to Ukrainian President Yushchenko dismissing his prime minister and the rest of her government. See [Deal for Ukraine Company Renews Charges of Abuse \(The New York Times, Sept. 15 2005\)](#). The Ukrainian Supreme Court ultimately reversed the Kiev court and upheld our client's ownership of the plant.

Nedagro B.V. v. Zao Konversbank - Enforcement of Foreign Arbitration Award

Representation of a Dutch agricultural company in successfully pursuing enforcement of an international arbitration award under the New York Convention. (Nedagro B.V. v. Zao Konversbank, 23 U.S. Dist. Lexis 787 (S.D.N.Y. 2003))

United States Fidelity and Guaranty v. Madison Financial - Defeat of Class Action

Representation of a financial institution in fending off an attempt by a surety to turn a simple lien law claim into a class-action lawsuit. (United States Fidelity and Guaranty v. Madison Financial, 2002 U.S. Dist. Lexis 23374 (S.D.N.Y. 2002))

Base Metal Trading S.A. v. Russian Aluminum - Battle Between Russian Oligarchs

When Russia's famous "Aluminum Wars" reached U.S. shores, Herrick represented one of the plaintiff groups in U.S. Federal court litigation against entities controlled by Russian oligarchs Oleg Deripaska and Mikhail Chernoy. (*Base Metal Trading S.A. v. Russian Aluminum*, 2002 U.S. Dist. Lexis 8516 (S.D.N.Y. 2002))

Gartner v. Lowe - Dispute Over Contract of Sale

Representation of the seller of a building off Fifth Avenue in Manhattan in defending an action for specific performance of the contract of sale. After winning at trial, Herrick also defended

and argued the appeal, with the First Department unanimously upholding the trial court decision. (*Gartner v. Lowe*, 749 N.Y.S.2d 134 (1st Dept. 2002))

Japanese Mortgage Restructuring and Asian Property Acquisitions

Represented a Japanese company in negotiations held in Tokyo with UFJ Bank to restructure \$30 million in mortgage debt encumbering property in Tokyo. We then represented a Japanese joint venture involving the company in its purchase and mixed-use development of a property in the Kakinokizaka district of Tokyo and in the purchase of property on Yao Yai Island near Phuket, Thailand.

Hideki Yokoi - Empire State Building Battle

Represented Hideki Yokoi, a famous Japanese billionaire, in the celebrated battle for control of the Empire State Building. The tycoon sued his daughter, Kiiiko Nakahara, and her husband, accusing the couple of improperly taking ownership and control of nine chateaux in France, four castles in Great Britain, Oheka Castle on Long Island, and the Empire State Building. The case was the subject of a front-page expose in *The Wall Street Journal* and is chronicled extensively in Mitchell Pacelle's book, *Empire: A Tale Of Obsession, Betrayal And The Battle For An American Icon*, Wiley, 2001.

Herrick represented the Trump Organization in the historic sale of the Empire State Building to a group led by Peter Malkin. That deal garnered headlines of its own: "Partnership in Deal for Empire State Building," *The New York Times*, March 19, 2002; "Long, Long Legal Battle for Tall, Tall Building," *The New York Times*, December 12, 2001.

In Re 455 CPW Associates - Mortgage/Mechanic's Lien Priority Dispute

Representation of a title insurance company in its defense of a mortgage lender from Section 22 claims made by a mechanic lienor, in Bankruptcy Court, asserting that its lien took priority over an earlier filed mortgage. The Bankruptcy Court ruled in our client's favor and both the District Court and the Second Circuit affirmed. (*In Re 455 CPW Associates*; *Herbert Construction v. The Greater New York Savings Bank*, 192 B.R. 85 (Bank. S.D.N.Y. 1996), aff. 2000 U.S. App. Lexis 23470 (2d Cir. 2000))

Nakahara v. Bal - Dismissal of RICO Action

Representation of Hideki Yokoi, a Japanese real estate magnate, in obtaining the dismissal of a RICO "slap suit" brought by his daughter, Kiiiko Nakahara, and her husband, John Paul Renoir. The couple brought the suit against Yokoi as part of their effort to force him to stop his worldwide litigation against the couple over the ownership of nine chateaux in France, four castles in England, Oheka Castle on Long Island and the Empire State Building in New York. (*Nakahara v. Bal*, 1998 U.S. Dist. Lexis (S.D.N.Y. 1998))

Turning the tables, Herrick later worked with local Federal prosecutors to have Renoir arrested on an Interpol warrant and extradited to France to face charges there in connection with ongoing criminal proceedings. See Suspect in Fraud Extradited to France, *The New York Times* (March 28, 2000).

Congregation Yetev Lev D'Satmar, Inc. v. 26 Adar N.B. Corp. - Religious Corporations/Title Dispute

Appearance as *amicus curiae* on behalf of the New York State Land Title Association in an important appeal involving issues under New York's Religious Corporations law. *Congregation Yetev Lev D'Satmar, Inc. v. 26 Adar N.B. Corp.*, 641 N.Y.S.2d 680 (2nd Dep't 1996)

Battle for the Empire State Building

One of the world's most iconic structures, the Empire State Building has always been a symbol of outsized ambition. In the 1990s the landmark skyscraper was the focus of an epic battle for control that spanned the globe, and Ray Hannigan was at the center of that battle, which was chronicled on the front page of the *Wall Street Journal* and in Mitchell Pacelle's award winning book: *Empire; A Tale Of Obsession, Betrayal And The Battle For An American Icon* (John Wiley & Sons 2001).

Among the combatants were Donald Trump and Japanese billionaire Hideki Yokoi, a passionate real estate investor and one of Japan's most controversial business tycoons. In 1991, after various false starts, Yokoi was able finally to obtain fee title to the Empire State Building from Prudential Insurance Company.

Despite gaining his prize, Yokoi later faced an unexpected obstacle. His own daughter, Kiiko Nakahara, claimed that Yokoi had somehow verbally bestowed ownership of the skyscraper – and several other properties around the world – to her as a gift. Thereafter, Nakahara entered into a secret deal with the Trump Organization, ultimately deeding the property to a joint venture Nakahara had formed with the celebrated developer.

In failing health, but undaunted, Yokoi and his company reached out to Ray because of his reputation for handling thorny litigation matters and real estate transactions. Ray helped Yokoi bring suit against Nakahara, her husband, and Trump, asserting that the couple had improperly taken over ownership and control of the Empire State building as well as nine chateaux in France, various castles in the United Kingdom, and other important properties worldwide. Ray's work on the case – *Nihon Sangyo Kabushiki Kaisha v. Nakahara* – was the subject of massive media coverage.

Ultimately, after years of litigation, negotiating and maneuvering, Ray and a team of Herrick lawyers were able to settle the case. Ray and this Herrick team also wound up representing the Trump Organization in the historic 2002 sale of the Empire State Building to a group led by Peter Malkin. Indeed, that transaction was historic: for the first time since 1961, the skyscraper's fee estate and leasehold estate were owned by the same group, headed by Peter Malkin.