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## The Law Office of Richard K. Hellerman: \$2M Judgment against Teamsters Local, Teamster VP John Coli in Landmark Decision

First Illinois Case Holding Labor Union Liable as Legal Successor

CHICAGO, July 17, 2015 /PRNewswire-USNewswire/ -- In a groundbreaking decision issued on July 14, 2015, an Illinois court held an unincorporated labor union liable as the legal successor to another labor union for the other union's breach of a commercial lease. In so holding, Cook County Circuit Court Judge Raymond Mitchell became the first Illinois court to apply the doctrine of "corporate successor liability" to unincorporated labor unions. He ruled that International Brotherhood of Teamsters Local Union No. 700 must pay \$1,996,853 in damages, plus legal fees and costs under the lease, to a local landlord for the breach of an office lease by Teamsters Local No. 726. He also found John Coli, Vice President of the International Brotherhood of Teamsters, President of Teamsters Joint Council 25 and Secretary-Treasurer of Teamsters Local No. 727, liable for tortious interference with the lease, assessing the same damages against him.

In 2008, plaintiff, 1550 MP Road LLC, a Park Ridge-based real estate developer, purchased and developed an office building for Local 726 and then leased the building to the Local for 15 years. The lease provided that Local 726 would purchase the building after five years and, if it did not, base rent for the remaining term would double. After one year under the lease, the International dissolved Local 726 and transferred the Local's entire membership, along with its assets and liabilities (but not the lease obligation), to newly chartered Local 700. Local 700 immediately informed the developer that because it was "different" than Local 726, it was not bound by the lease and, although its members and staff continued to occupy the building, it only wanted a month-to-month tenancy with no lease. No agreement was reached and, four months later, Local 700 vacated the building and the developer was left with an empty building that it was unable to resell or re-let.

Attorney Richard K. Hellerman, founder and President of The Law Office of Richard K. Hellerman, P.C., sued Local 700, alleging that it was the legal successor to Local 726 and therefore was responsible for Local 726's breach of the lease. Mr. Hellerman later amended the complaint to add claims that the Local was also liable as the recipient of a fraudulent transfer of Local 726's assets. The amended complaint also added a claim of tortious interference with contract against the International and several of its officers, including Coli, for the decision to dissolve Local 726, which caused Local 726 to breach the lease. Judge Mitchell found Local 700 and Coli liable on each of the claims against them in the Amended Complaint, and also assessed legal fees and costs of more than \$320,000 against Local 700 under the terms of the lease. As to Coli, Judge Mitchell found the evidence "overwhelming" that he orchestrated "an unlawful act: a scheme to defraud a creditor."

Richard K. Hellerman is a seasoned litigator, having tried cases before both juries and judges in State and Federal courts in Illinois, Wisconsin, Ohio and New York. He has more than 10 reported appellate decisions to his name, making law in such important areas as corporate successor liability and the rights of banks in enforcing promissory notes. He concentrates his practice in business and commercial litigation, with particular emphasis on emergent litigation arising out of restrictive covenants, disputes between owners of small businesses and disputes between businesses. For additional information, please visit [www.hellermanlaw.com](http://www.hellermanlaw.com) (<http://www.hellermanlaw.com/>).

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