

VIRGINIA:
IN THE CIRCUIT COURT FOR THE CITY OF RICHMOND

Republic Projects LLC
41 West Putnam Avenue, Second Floor
Greenwich, CT 06830

Plaintiff,

v.

Thalhimer Realty Partners, Inc.
Serve: David R. Dustin, Jr.
11100 W. Broad Street
Glen Allen, VA 23060-5813

Loop Capital Markets, LLC
Serve: Cogency Global, Inc.
250 Browns Hill Ct.
Midlothian, VA 23114-9510

Diamond District Partners, LLC
Serve: Jason Guillot
c/o Thalhimer Realty Partners
11100 W. Broad Street
Glen Allen, VA 23060-5813

Jason Guillot

[REDACTED]

James Reynolds

[REDACTED]

Susan Cronin

[REDACTED]

and

Gregory Peck

[REDACTED]

Defendants.

Case No.: _____

COMPLAINT
(JURY TRIAL DEMANDED)

COMPLAINT

Plaintiff Republic Projects LLC (“Plaintiff” or “Republic”) complains as follows against Defendants Thalhimer Realty Partners, Inc. (“Thalhimer”), Diamond District Partners, LLC (“DDP”), Jason Guillot (“Guillot”), Loop Capital Markets, LLC (“Loop”), James Reynolds (“Reynolds”), Susan Cronin (“Cronin”), and Gregory Peck (“Peck”).

Parties and Jurisdiction

1. Plaintiff Republic Projects LLC is a Delaware limited liability company with its principal place of business at 41 West Putnam Avenue, Second Floor, Greenwich, CT 06830.

2. Defendant Thalhimer Realty Partners, Inc. is a Virginia corporation with its Registered office at 11100 West Broad Street, Glen Allen, VA, 23060.

3. Defendant Loop Capital Markets, LLC is a Delaware limited liability company with its principal place of business at 111 W Jackson Blvd, Ste 1901, Chicago, IL 60604.

4. Defendant Diamond District Partners, LLC is a Virginia limited liability company with its principal place of business at 5820 Patterson Ave., Ste 203, Richmond, VA 23226-2555.

5. Defendant Jason Guillot is an individual residing at 203 Paxton Road, Richmond, VA 23226-2206.

6. Defendant James Reynolds is an individual residing at 1201 S. Prairie Ave., Apt. 2301, Chicago, IL 60605-3425.

7. Defendant Susan Cronin is an individual residing at 14467 Dunbar Place, Sherman Oaks, CA 91423-4009.

8. Defendant Gregory Peck is an individual residing at 14467 Dunbar Place, Sherman Oaks, CA 91423-4009.

9. This court has jurisdiction over this matter pursuant to Va. Code Ann. § 17.1-513.

10. Venue in this court is proper pursuant to Va. Code Ann. § 8.01-262 because the cause of action arose in this county and the defendants reside or regularly conduct business activity here.

Factual Allegations

11. On or about December 28, 2021, the City of Richmond issued a Request for Interest (RFI) regarding development of the area of Richmond called the Diamond District. The City sought “creative development responses from financially capable and experienced development teams interested in redeveloping 67.57 acres of under-developed, publicly-owned property along the I-95 east coast corridor into a mixed-use, mixed-income urban destination anchored by a regional baseball stadium.” The development components included “Infrastructure: Upgrade water, sewer, road and other infrastructure to support development plans,” treatment of two recreational facilities (the baseball stadium and the Arthur Ashe Jr. Athletic Center), shared parking, development of public open spaces, and commercial/residential usages.

12. The RFI explained that it was the first stage of a two-stage process. The second stage would be an invitation to a shortlist of RFI respondents to respond to a Request for Offers (RFO) which would require additional, and more detailed, information.

13. Plaintiff and Defendants created a partnership (the “Partnership”) and together drafted a response to the RFI on behalf of the Partnership, which the parties submitted on or about February 15, 2022. In the Partnership’s response, the Plaintiff and Defendants described the “Master Developer/Respondent” as “RVA Diamond Partners,” consisting of Plaintiff Republic and Defendants Loop and Thalhimer. Upon information and belief, Defendant Guillot agreed with Defendant Thalhimer, and Defendants Reynolds, Cronin and Peck agreed with Defendant Loop,

to participate in those entity's ownership shares of the Partnership. Plaintiff and Defendants crafted, reviewed, approved, and signed the RFI response.

14. The City selected six development teams for further consideration, including the Partnership, and, on or about March 23, 2022, the City issued Request for Additional Information (RFAI) "to seek additional, more-detailed information from the selected six development teams for review and evaluation by the Evaluation Panel." The RFAI promised that "none of the responses will be made available to the public until after the City determines to enter into a specific contract or to not enter into any contract as a result of this process."

15. Plaintiffs and Defendants created and submitted a response to the RFAI in April 2022. The response, reviewed, approved and signed by Plaintiff and Defendants, explained that "RVA Diamond Partners was deliberately assembled to be [the developer]. Thalhimer Realty Partners, Loop Capital, and Republic Properties, each bring best-in-class expertise to the critical ingredients for making this a successful project..." The RFAI response again referred to the "Master Developer/Respondent" as RVA Diamond Partners, consisting of Plaintiff Republic and Defendants Loop and Thalhimer.

16. By April 2022, in furtherance of the Partnership, Plaintiff and Defendants created a limited liability company known as RVA Diamond Partners LLC, and explained to the City in its RFAI response that "RVA Diamond Partners is a legal entity registered in the State of Delaware and registered to do business in the Commonwealth of Virginia with the State Corporation Commission ("SCC"). We have included a copy of our Certificate of Formation and our registration with the SCC in the Appendix A. RVA Diamond Partners will be the responsible legal entity that will be the party the city contracts with if we are awarded the project."

17. On or about June 3, 2022, the City issued its RFO. The Partnership responded. The response was created, reviewed, approved and signed by Plaintiff and Defendants. The Response to the RFO described the Partnership as consisting of Thalhimer, Loop, and Republic. In addition, 32 other persons and entities, consisting of various development professionals, formed the remaining members of the development team which the Partnership led to pursue the development.

18. Plaintiffs and Defendants continued to discuss the matter with the City in July and August 2022, and, on or about September 10, 2022, the City notified Plaintiffs and Defendants that it had selected the Partnership for the award.

19. On September 26, 2022, the City Council met and passed RES. 2022- R055, which stated the “City has completed a solicitation and evaluation process culminating with the issuance and evaluation of a Request for Offers issued June 3, 2022 ... and the Mayor has recommended, based on this process, that the City select RVA Diamond Partners LLC as the developer for the Diamond District project and negotiate definitive agreements for the Diamond District project in accordance with certain proposed minimum business terms and conditions set forth in a document entitled ‘Basic Business Provisions Term Sheet, Diamond District.’” The resolution ends by noting, “This resolution shall be in force and effect upon adoption.”

20. Defendant Thalhimer coordinated the Plaintiffs and Defendants participation with the Council at its September 26, 2022 meeting. Defendant Loop agreed to participate at the meeting as may be required to discuss, among other things, its status “as a major equity investor” and its role in “guid[ing] our financing plan every step to of the way to ensure the bonds [to finance the project] are successfully sold.”

21. The parties continued to operate as a partnership while working on more detailed terms of the RVA Diamond Partners entity, including the creation of a Venture Agreement. During

this period, when development-related contracts needed to be signed, Plaintiff and Defendants would execute the contracts directly, as partners. Sometimes, the Plaintiff or Defendants would direct the billing to an individual party, and sometimes to the RVA Diamond Partners entity. For example, Defendant Thalhimer engaged the law firm of Roth Jackson Gibbons Condlin, PLC to do land entitlement work on behalf of the Plaintiffs and Defendants in the name of RVA Diamond Partners entity. Regardless of where the billing was directed, Plaintiff paid the invoices.

22. Thereafter, in furtherance of the Partnership, the draft Venture Agreement for RVA Diamond Partners assigned each company the following ownership percentages of RVA Diamond Partners: Thalhimer would own twenty percent (20%), Loop would own forty percent (40%) and Republic would own forty percent (40%).

23. In January 2023, Plaintiff and Defendants exchanged copies of the Venture Agreement and a spreadsheet of the costs incurred to date. In or about February 2023, Plaintiff and Defendant Thalhimer executed the Venture Agreement. Loop continued to negotiate fees and financial matters and did not execute the Venture Agreement, but it continued in the Partnership with Plaintiff and Defendant Thalhimer, subject to further discussions of fees and financial matters.

24. Pursuant to the Venture Agreement, “[t]he Venturers agree that each will team with the others exclusively in their response to the Solicitations and/or in pursuit of the Project, and that no Venturer will submit a response or otherwise pursue the Project with another party or by themselves, nor, without the prior consent of the others, invite another party to join in the Joint Venture, nor participate in the actual redevelopment, except that if a Venturer elects not to proceed further and withdraws its participation in the Joint Venture, the Solicitations and/or the Project, the non-withdrawing Venturer(s) may proceed independently or with others in furtherance of the Solicitations and the Project.”

25. Susan Cronin, Loop's primary advisor on this transaction, announced on April 1, 2023, that "we believe that all members of the partnership played an important role in winning this project and none should be discounted in any manner. We believe that Republic, Thalhimer and Loop are a winning team." On May 7, 2023, Loop stated that the last item it needed to finalize the Venture Agreement was the true up of expenses to date.

26. Between October 2022 and May 2023, the City and the Partnership attempted to negotiate the definitive Master Development Agreement. On October 24, 2022, outside counsel for the City of Richmond delivered a draft of the development agreement to the Partnership commencing the negotiations. Initially, Defendant Thalhimer and Plaintiff led the negotiations on behalf of Plaintiff and Defendant Loop, but Defendant Thalhimer soon began having discussions with the City in which Plaintiff was not involved.

27. On May 5, 2023, the City demanded that "Thalhimer Realty Partners, led by Jason Guillot, be designated as the RVADP member with responsibility for serving as RVADP's lead representative in its dealings with the City" and that the voting rights of RVADP be "structured so that no one member would be in a position to preclude RVADP from pursuing the Diamond District project in accordance with the terms of the Development Agreement." The City conditioned the execution of the development agreement upon the Partnership producing a Venture Agreement that included this language. Upon information and belief, the City made these demands because, with Defendants' encouragement, the City believed that Republic was being uncooperative in reaching an agreement with the City.

28. On May 15, 2023, Defendants proposed to Plaintiff that they could agree to the city's terms and sign the development agreement that had been passed by the council on April 24, 2022, and subsequently try to amend the development agreement after signing it, or that Plaintiff

be bought out on terms to be negotiated. Plaintiff stated that it would not agree to the current terms but would consider a buy-out offer from Defendants assuming that fair and reasonable terms could be negotiated.

29. From June 2023 through December 2023, Defendant Thalhimer continued to lead negotiations with the City on behalf of the Partnership attempting to alter the City's development agreement proposal. During this time, Thalhimer stopped updating Republic about the negotiations.

30. Unbeknownst to Republic, Defendants formed a different partnership between themselves, known as Diamond District Partners, at the same time that the City and the Partnership, through Guillot and Thalhimer, were attempting to negotiate a development agreement. Defendants separately began negotiating with the City for a development agreement with Diamond District Partners while Defendants remained part of the Partnership with Plaintiff.

31. The City and Diamond District Partners reached agreement in or about April 2024. The terms of that development agreement are very different, and far more favorable to Defendants than the development agreement which was approved by the City Council on April 24, 2022.

32. The Diamond District Partners development team consists of approximately 20 of the 33 members of the Partnership's team, including Thalhimer Realty Partners, Loop Capital, Pennrose, Capstone Development, KEi Architects, 510 Architects, Poole & Poole Architects, Whiting-Turner Contracting Company, Breeden Construction, Capital Results, J&G Workforce, Sir James Thornhill, and the Richmond Black Restaurant Experience.

33. Thalhimer and Loop, acting as Diamond District Partners, reused in their negotiations with the City for their own development agreement parts of the Partnership's proposal with no changes or minimal changes. For example, a presentation given to the Richmond City

Council by City staff and Diamond District Partners' on April 8, 2024, used the following rendering, parts of which Defendants converted from the Partnership's response to the City's Request for Offers submitted on June 22, 2022.



The parts of the Partnership's proposal which Diamond District Partners improperly converted for its own use were prepared by team member Skidmore, Owings & Merrill, which Republic paid on behalf of the Partnership.

34. Similarly, Diamond District Partners created a modified site plan in its development agreement proposal, but its site plan copies heavily from the site plan created by the Partnership's team member Skidmore, Owings & Merrill for which Republic paid. A side-by-side comparison of the Diamond District Partners' master site plan and the Partnership's master plan shows the overlap:

Side By Side Site Plans

Diamond District Partners Site Plan



RVA Diamond Partners



35. During the City and Diamond District Partners presentation to the City Council on April 8, 2024, City of Richmond Deputy Chief Administrative Officer Sharon Ebert showed the two plans side by side and referred to the Partnership's rendering as "the original conceptual design that the council approved" and the other rendering as an "updated rendering" of the original design.

36. Upon information and belief, Defendants also used the following Partnership information, paid for or created by Republic or other team members, in discussions with the City on behalf of their Diamond District Partners partnership:

- a. surveying and topographical mapping information about the development site,
- b. title search information,
- c. commercial development underwriting information,
- d. public financial component underwriting information, and
- e. information about discussions with potential office and retail tenants.

37. In late April 2024, Defendants acknowledged Republic's rights in the project, and offered to purchase them. Defendants, however, then indicated that they did not have the resources to close on the purchase.

38. Between January 2022 and May 2023, the Partnership incurred \$989,005.72 in costs in pursuing the City contract. Republic has paid \$464,104.71 of these costs, and Defendant Guillot has paid to Republic \$125,384.49 of these costs. Defendant Loop has paid to Republic \$0.00 of these costs. The rest, \$399,516.52, remains due and owing.

Count I
(Breach of Duty of Loyalty - Constructive Trust
Thalhimer, Guillot, and DDP)

39. Plaintiff incorporates the foregoing allegations.

40. Defendant Thalhimer owes Republic a duty of loyalty, which includes a duty to hold as trustee for Republic any property, profit, or benefit derived by Thalhimer in the conduct and winding up of the Partnership business or derived from a use by the partner of partnership property, including the appropriation of a Partnership opportunity.

41. A partnership continues until it has been dissolved, wound up, and then terminated.

42. Dissolution without winding up operates to terminate the partnership only with respect to future transactions. The partnership continues with respect to past transactions until those transactions are wound up, and termination is that point in time when all the partnership affairs are wound up.

43. Winding up is the process between dissolution and termination when partnership affairs are settled. Included in the winding up of partnership affairs is the performance of existing contracts, collection of debts, and payment of firm debts.

44. A partnership is not terminated if it has not been wound up. A partnership has not been wound up if all partnership assets have not been valued and dispersed.

45. Partnership property is all property acquired by a partnership, and that property includes all property, real, personal, or mixed, tangible or intangible, or any interest therein.

46. A partnership's or a partner's past efforts to obtain partnership business represents partnership property that must be valued and distributed during the winding up and prior to termination of the partnership.

47. Thalhimer has breached its duty of loyalty because it holds a property interest in the form of a business opportunity to develop the Diamond District site which justly belongs to Republic as a partner in the Partnership. Thalhimer obtained this property interest by unjust, unconscionable, or unlawful means. Thalhimer holds this interest as trustee for Republic.

48. DDP now holds that property interest which belongs to Republic, and Thalhimer and Guillot are, upon information and belief, partners in DDP.

WHEREFORE, Republic demands judgment as follows:

A. Imposition of a constructive trust on all the business of Thalhimer and Guillot through the Diamond District Partners partnership;

B. The costs of suit, including a reasonable fee to plaintiff's counsel; and

C. Such other and further relief deemed just and proper by this Court.

Count II
(Breach of Duty of Loyalty - Constructive Trust
Loop, Reynolds, Cronin, Peck, and DDP)

49. Plaintiff incorporates the foregoing allegations.

50. Defendant Loop owes Republic a duty of loyalty, which includes a duty to hold as trustee for Republic any property, profit, or benefit derived by Loop in the conduct and winding

up of the Partnership business or derived from a use by Loop of Partnership property, including the appropriation of a Partnership opportunity.

51. A partnership continues until it has been dissolved, wound up, and then terminated.

52. Dissolution without winding up operates to terminate the partnership only with respect to future transactions. The partnership continues with respect to past transactions until those transactions are wound up, and termination is that point in time when all the partnership affairs are wound up.

53. Winding up is the process between dissolution and termination when partnership affairs are settled. Included in the winding up of partnership affairs is the performance of existing contracts, collection of debts, and payment of firm debts.

54. A partnership is not terminated if it has not been wound up. A partnership has not been wound up if all partnership assets have not been valued and dispersed.

55. Partnership property is all property acquired by a partnership, and that property includes all property, real, personal, or mixed, tangible or intangible, or any interest therein.

56. A partnership's or a partner's past efforts to obtain partnership business represents partnership property that must be valued and distributed during the winding up and prior to termination of the partnership.

57. Loop has breached its duty of loyalty because it holds a property interest in the form of a business opportunity to develop the Diamond District site which justly belongs to the Partnership. Loop obtained this property interest by unjust, unconscionable, or unlawful means. Loop holds this interest as trustee for Republic.

58. DDP now holds that property interest which belongs to Republic, and Loop, Reynolds, Cronin and Peck are, upon information and belief, partners in DDP.

WHEREFORE, Republic demands judgment as follows:

- A. Imposition of a constructive trust on all the business of Loop, Reynolds, Cronin, and Peck through the Diamond District Partners partnership;
- B. The costs of suit, including a reasonable fee to plaintiff's counsel; and
- C. Such other and further relief deemed just and proper by this Court.

Count III
(Breach of Duty of Loyalty – Improper Competition
Thalhimer, Guillot, and DDP)

59. Plaintiff incorporates the foregoing allegations.

60. Defendant Thalhimer owes Republic a duty of loyalty, which includes a duty to refrain from dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a party having an interest adverse to the partnership; and to refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership.

61. Defendant Thalhimer has breached its duty by negotiating and entering into a development agreement with the City on behalf of District Diamond Partners, which has an interest adverse to the Partnership and competes with the Partnership.

62. DDP now holds the value of the development agreement which belongs to Republic, and Thalhimer and Guillot are, upon information and belief, partners in DDP.

WHEREFORE, Republic demands judgment as follows:

- A. Imposition of a constructive trust on all the business of Thalhimer and Guillot through the Diamond District Partners partnership;
- B. The costs of suit, including a reasonable fee to plaintiff's counsel; and
- C. Such other and further relief deemed just and proper by this Court.

Count IV
(Breach of Duty of Loyalty – Improper Competition
Loop, Reynolds, Cronin, Peck and DDP)

63. Plaintiff incorporates the foregoing allegations.

64. Defendant Loop owes Republic a duty of loyalty, which includes a duty to refrain from dealing with the partnership in the conduct or winding up of the partnership business as or on behalf of a party having an interest adverse to the partnership; and to refrain from competing with the partnership in the conduct of the partnership business before the dissolution of the partnership.

65. Defendant Loop has breached its duty by negotiating and entering into a development agreement with the City on behalf of District Diamond Partners, which has an interest adverse to the Partnership and competes with the Partnership.

66. DDP now holds the value of the development agreement which belongs to Republic, and Loop, Reynolds, Cronin and Peck are, upon information and belief, partners in DDP.

WHEREFORE, Republic demands judgment as follows:

A. Imposition of a constructive trust on all the business of Loop, Reynolds, Cronin, and Peck through the Diamond District Partners partnership;

B. The costs of suit, including a reasonable fee to plaintiff's counsel; and

C. Such other and further relief deemed just and proper by this Court.

Count V
(Breach of Duty of Loyalty – Accounting
Thalhimer and Guillot)

67. Plaintiff incorporates the foregoing allegations.

68. Defendant Thalhimer owes Republic and a duty of loyalty, which includes a duty to account to the partnership for it any property, profit, or benefit, including a partnership opportunity, derived by the partner in the conduct and winding up of the partnership business.

69. Property is presumed to be partnership property if acquired with partnership assets.

70. District Diamond Partners acquired its development agreement with the City using the Partnership's intellectual property.

71. As such, the benefits of the Diamond District Partners development agreement belong to the Partnership.

72. DDP now holds the value of the development agreement which belongs to Republic, and Thalhimer and Guillot is, upon information and belief, a partner in DDP.

73. Thalhimer and Guillot must account to Republic for any profit derived from Diamond District Partners' development agreement.

WHEREFORE, Republic demands judgment as follows:

A. An accounting from Thalhimer and Guillot for all profits either earns through the Diamond District Partners partnership;

B. The costs of suit, including a reasonable fee to plaintiff's counsel; and

C. Such other and further relief deemed just and proper by this Court.

Count VI
(Breach of Duty of Loyalty – Accounting
Loop, Reynolds, Cronin, and Peck)

74. Plaintiff incorporates the foregoing allegations.

75. Defendant Loop owes Republic a duty of loyalty, which includes a duty to account to the partnership for it any property, profit, or benefit, including a partnership opportunity, derived by the partner in the conduct and winding up of the partnership business.

76. Property is presumed to be partnership property if acquired with partnership assets.

77. District Diamond Partners acquired its development agreement with the City using the Partnership's intellectual property.

78. As such, the benefits of the Diamond District Partners' development agreement belong to the Partnership.

79. DDP now holds the value of the development agreement which belongs to Republic, and Loop, Reynolds, Cronin and Peck are, upon information and belief, partners in DDP.

80. Loop, Reynolds, Cronin, and Peck must account to Republic for any profit derived from Diamond District Partners' development agreement.

WHEREFORE, Republic demands judgment as follows:

A. An accounting from Loop, Cronin, and Peck for all profits it earns through the Diamond District Partners partnership;

B. The costs of suit, including a reasonable fee to plaintiff's counsel; and

C. Such other and further relief deemed just and proper by this Court.

Count VII
(All Defendants – Improper Exclusion from Partnership)

81. Plaintiff incorporates the foregoing allegations.

82. Republic has the right to participate in profits realized on the completion of projects which were originated or planned prior to dissolution on account of the partner's past services.

83. The Diamond District Partners' development agreement is a project commenced or planned by Republic as part of the efforts of the Partnership's pursuit of the City development agreement.

84. The Diamond District Partners' development agreement resulted from the investment of substantial Republic time, money, and services.

85. Republic is entitled to receive its share of the net profits realized under the Diamond District Partners' development agreement with the City.

WHEREFORE, Republic demands judgment as follows:

A. An accounting from Loop and Thalhimer and all persons claiming under them, including Guillot, Reynolds, Cronin, and Peck, for all profits earned through the Diamond District Partners' partnership;

B. The costs of suit, including a reasonable fee to plaintiff's counsel; and

C. Such other and further relief deemed just and proper by this Court.

Count VIII
(All Defendants – Money Due for Expenses)

86. Plaintiff incorporates the foregoing allegations.

87. The Defendants jointly and severally are liable to Republic for all expenses paid and debts incurred by Republic for the Partnership.

88. The amount due and owing from Defendants is \$863,621.23.

WHEREFORE, Republic demands judgment as follows:

A. Damages from Defendants, jointly and severally, in the amount of \$863,621.23;

B. The costs of suit, including a reasonable fee to plaintiff's counsel; and

C. Such other and further relief deemed just and proper by this Court.

Count IX
(All Defendants - Usurpation of Partnership Opportunity)

89. Plaintiff incorporates the foregoing allegations.

90. Defendants were charged with negotiating a development agreement on behalf of the Partnership.

91. The development agreement was a valuable Partnership Opportunity.

92. Instead of negotiating a development agreement for the Partnership, Defendants negotiated the development agreement for themselves.

93. Defendants excluded Plaintiff from the Partnership Opportunity.

94. The value of the Partnership Opportunity to Republic was no less than \$40,000,000.00.

WHEREFORE, Republic demands judgment as follows:

- A. Damages from Defendants, jointly and severally, in the amount of \$40,000,000.00;
- B. The costs of suit, including a reasonable fee to plaintiff's counsel; and
- C. Such other and further relief deemed just and proper by this Court.

Respectfully submitted,

OFFIT KURMAN, P.A.



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JURY DEMAND

Plaintiff demands trial by jury on all matters so triable.



Edward J. Tolchin, Esq. (VSB #32654)