

Trump loses appeal to Doral golf resort tenant in room-rate dispute

BY MARTIN VASSOLO

A Trump-owned company that operates the president's Trump National Doral Miami golf resort has been ordered to pay the legal fees of a spa owner whose rent Trump attempted to raise fivefold during a lease dispute in 2013.

Trump Endeavor 12, a limited liability corporation previously run by President Trump and now run by his son Donald Trump Jr., attempted to force Pritikin Longevity Center and Spa out of its lease after purchasing the National Doral in 2012 and renovating the resort, the spa's attorneys argued in Miami-Dade circuit court.

Pritikin, owned by former U.S. Ambassador to Belgium Sam Fox, first entered into a lease at the resort in 2009 and was contractually permitted to renew it for another five years in 2014. Following renovations, the company's initial lease period was set to expire.

The company leases about 40,000 square feet of a spa building inside the golf resort with an exclusive right to rent up to 100 guest rooms and 10 spa suites to clients at contractually pre-determined rates based on a Group Room Agreement.

Trump — who at the time said that the spa was no longer “compatible” with the resort's brand — disagreed with the guest room rate and claimed that Pritikin had defaulted on its lease, citing 16 “systematic and continuous” violations including complaints of employee dress code infractions and dirty conditions in the Pritikin kitchen.

In 2013, the business tycoon proposed raising the spa's guest room rates by as much as 583 percent, which Fox argued was against the lease and would nearly put Pritikin out of business. A judge sided with Pritikin, stopping the proposal and reducing the original rate by 15 percent. The court also ruled that Trump's company had never before “communicated the existence” of violations to Pritikin until the dispute over the rent began, and that kitchen conditions fell under Trump's responsibilities.

Pritikin, after an investigation into the claimed violations, determined that the “alleged default conditions did not exist, or were cured and no longer existed.”

Trump himself, the court found, had no “personal knowledge as to the existence of the alleged defaults.”

Alan Kluger, a Pritikin attorney, said Trump had planned to “build a billionaire's club” and the spa did

not match his vision for the resort.

“He did everything he could to force him out,” Kluger said. “He and his team just tried to bully Pritikin. They took outrageous positions, they threatened him. It was really unconscionable.”

The trial judge sided with Pritikin, and on Wednesday Miami’s Third District Court of Appeal agreed.

Kluger and his colleagues are seeking \$2.5 million in compensation for legal fees. The appeals court granted Pritikin’s motion for attorney fees — and added attorney fees for the appeal process as well. Pritikin attorneys are now working to set up a September hearing to determine an exact number.

A spokesperson for Trump Hotels did not immediately respond to a request for comment.

“The overwhelming credible and substantial evidence reflects that Trump Endeavor undertook a series of pretextual maneuvers in an effort to force Pritikin to vacate the leased premises,” Circuit Court Judge Rodriguez wrote in his 2017 ruling siding with Pritikin. “The court finds that Pritikin is the prevailing party on the significant issues of the case and is entitled to an award of reasonable attorney’s fees and costs.”

Kluger said Trump Endeavor has a right to file a petition with Florida’s Supreme Court but that it was unlikely to go through.

“For all intents and purposes, all their appellate rights are done,” said attorney Philippe Lieberman. “Now all that needs to be decided is the amount of legal fees that Trump needs to pay Pritikin, and that number is going to be substantial.”

Correction: A previous version of this article incorrectly stated that Trump Endeavor raised Pritikin’s rent by up to 583 percent. In 2013, Trump Endeavor announced its intent to increase the rent by that amount. Pritikin’s legal action stopped that proposal.