

## **Firm Client Louisiana Department of Economic Development Successfully Defends Breach of Contract Lawsuit**

01.19.2023

The firm successfully defended a multi-million dollar claim by Dillard Department Stores, Inc. against the firm's client, the Louisiana Department of Economic Development ("LED"). The matter involved the purchase of a site in Baton Rouge for the construction of a high-tech regional distribution center. Dillard claimed that an LED representative verbally promised to pay Dillard \$3.5 million as an incentive if Dillard sold its parcel to the developer, but did not make the payment after Dillard sold the parcel. Although LED and Dillard had no written agreement, Dillard filed suit against LED and asserted bad faith breach of contract, detrimental reliance, and misrepresentation claims.

Firm lawyers Doug Cochran, Nick Wehlen, and Justin Lemaire filed exceptions in response to Dillard's lawsuit, including an exception of no cause of action arguing that Dillard failed to state a claim against LED as a matter of law. Although the exceptions were denied by the district court, the Louisiana First Circuit Court of Appeal reversed and ordered the dismissal of LED's claims. The First Circuit agreed that the "agreement" alleged by Dillard had to be in writing to be effective and that, absent fraud, it is "unreasonable to rely on an oral promise where the law requires such a promise to be in writing to be enforceable."

Dillard filed an Application for Supervisory Writs in the Louisiana Supreme Court. LED opposed the application, which was denied on January 11, 2023.

### **ATTORNEYS**

Douglas J. Cochran

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Nicholas J. Wehlen

### **CAPABILITIES**

Appellate

Business Litigation