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Castillo Grand wins US\$44m Sheraton case

BY Pete Hayman

New York, US-based Pryor Cashman LLP has confirmed its client, Castillo Grand, has been awarded US\$44m (£28.1m, EUR32.9m) in its legal case against Sheraton Operating Corp.

The New York State Supreme Court found Sheraton - part of Starwood Hotels and Resorts - breached a contract with the owner and developer of the former St Regis Hotels and Resorts.

Castillo Grand's claim focused on a lack of "St Regis-style" in the design and construction of a new property on Fort Lauderdale's Gold Coast, which opened in 2007.

Pryor Cashman said four regime changes within Starwood during the development had led to new directions being imposed, which took the project over budget and behind schedule.

Todd E Selway, lead trial counsel and chair of Pryor Cashman's Real Estate Litigation Group, said: "This case is a cautionary tale for the hospitality industry.

"This fair and just award also sets a new precedent for developers who may feel victimized by large and influential hotel chains who may impose unrealistic demands-they can win in the David vs. Goliath battle."