



ADVERTISEMENT

**IN OUR 110-YEAR HISTORY,
WE'VE LEARNED THAT
HONESTY NEVER DEPRECIATES.**

**Your business goals.
Achieved.**

**UMB
BANK**

[Learn More](#)

Commercial Real Estate

Behind the \$22 Million Verdict Against Gene Phillips' Company

Daniel Moos, the former president and CEO of Pillar Income Asset Management, sued his former employer after he was fired and claimed the company refused to pay him what he was owed.

By Will Maddox | April 4, 2024 | 9:00 am



Courtesy: iStock





The first serious sign of Daniel Moos' trouble at Pillar Income Asset Management arrived with a document he had never seen. It was a two-page contract that said Moos had signed his 2 percent stake in a \$1.8 billion real estate deal back to his employer. The document had Dallas real estate executive Gene Phillips' signature and his own, but there was one big problem—Moos said he never signed the contract.

The allegedly forged contract was key evidence in a trial where a jury recently awarded Moos more than \$22 million in salary and real estate compensation after he sued his former employer, Pillar Income Asset Management.

Pillar and its predecessors were owned by Phillips, the late founder of Southmark Corp., a Dallas financial services company with interest in everything from apartments to campgrounds. Southmark declared bankruptcy in 1989 amid a flurry of lawsuits, but Phillips pressed on and continued to be a big player in the commercial real estate industry in North Texas and beyond.

Moos was hired as president of Pillar in 2007 and assumed the CEO role in 2010. According to Moos' petition, he was tasked with, among other things, "helping the businesses he oversaw regain trust and rebuild relationships with lenders and markets domestically and internationally given widespread concerns over abuse of the entities' corporate form by Pillar's then-controller, Gene E. Phillips."

When Phillips passed away in 2019, his heirs took control of the company. A month before Phillips' son Bradford terminated Moos' contract with the company, Moos received what he says is the forged contract where he signed his control of the real estate investment back to Pillar. The document made him concerned and suspicious. He says he had always received positive performance reviews but was fired a month later in August 2020 in what he initially understood to be an amicable change of direction.

Moos' contract with Pillar entitled him to a termination payment and unpaid bonuses if he were fired, which court documents say totaled \$6 million. Moos says Pillar attempted to disparage him and claim misconduct to avoid abiding by the contract. If he were fired for cause, the company wouldn't have to pay.

"Pillar's allegations that Moos' employment was terminated for cause are entirely unfounded and were contrived after the fact in direct response to Moos' demand for the amounts owed to him," court documents say. "Pillar is attempting to avoid its clear obligations set forth in the Employment Agreement under the guise of a fabricated claim against Moos for breach of fiduciary duty, disparaging Moos' reputation in the process."

Additionally, Moos claimed that Pillar attempted to seize his \$15.7 million stake in Victory Abode Apartments (VAA), which sold in 2022 for \$1.8



billion. According to court documents describing the contract, Moos managed the day-to-day operations of VAA in addition to owning 2 percent of the property. When he was terminated, Moos says that Pillar asked him to sign over his 2 percent ownership, but he refused. Next, the petition says Pillar attempted to prove that he had already given his ownership stake to the company via what Moos claims is a forged contract.

The plaintiff's petition calls the document in which Moos allegedly signed over his rights to VAA the "Doctored Letter" and says it was created by taking the signature from a different document and combining it with a new cover page. It also says the document was altered by a typewriter after the fact to reflect that Pillar was a third party to the agreement with Phillips and Moos. The Pillar signature line's font differs from the rest of the document.

The idea that Moos would sign his stake in VAA back to Pillar didn't come out of the blue. Phillips and Moos had previously agreed that Moos would do so in the case of an IPO in exchange for a 5 percent interest in the IPO entity.

After Phillips died, Moos approached his son Bradford about the potential IPO but says Bradford rejected the plans for an IPO connected to VAA, and the entity never went public.

ADVERTISEMENT



The doctored letter removes the language about Moos' 2 percent ownership in VAA and the language about Moos receiving 5 percent ownership in the IPO should the entity go public. It also adds that Moos assigned his payment rights back to Pillar. Moos argued that the forged letter proves he is entitled to his 2 percent earnings when VAA sold in 2022.

"There was a striking difference in the documentation. The LLC agreement that created the distribution of 2 percent interest was an 80-page document prepared by lawyers and signed by everyone as an ordinary commercial agreement with multiple copies given to everyone," says Mark Johansen, a partner at Reed Smith's Dallas office who led Moos' legal team. "The doctored letter was a two-page document that was apparently signed at different times by three different people."

After an eight-day trial in Dallas County Court, a jury awarded Moos more than \$22 million in legal fees, damages for breach of contract, and the VAA investment. Despite attempts to amicably resolve the conflict before the trial, Johansen describes Pillar as hostile and difficult from the start.



“Between the Gene Phillips connection, the doctored letter, and the contentious nature of litigation, I have never seen anything like this in my career,” Johansen says.


Johansen says that Moos has not received the payment awarded by the jury. He has no information on an appeal, but due to the nature of the trial, he says he would not be surprised if the decision is appealed.

Still, he remains confident. “Dallas County juries view companies with disfavor that refuse to pay employees and executives monies that are owed to them,” Johansen says. “Especially after a long period of service where there have been no documented issues of misconduct or anything else that would not entitle the employee to the money.”

D CEO contacted Pillar’s legal team to be interviewed for this story but did not receive a response.

Get the D CEO Real Estate Newsletter

Get weekly updates on breaking commercial real estate news and relevant industry reports.

Author



Will Maddox

[View Profile](#) →

Will is the senior writer for *D CEO* magazine and the editor of *D CEO Healthcare*. He's written about healthcare...

