

Who gets to buy the Palace Café building? Court orders trial over Canal Street landmark.

The ruling scuttles Lenny Motwanis bid for the historic property, for now, and could open the door for a bid from Dickie Brennans group.

By STEPHANIE RIEGEL | Staff writer · Sep 16, 2026 Updated 2 hrs ago · 4 min to read



The former Palace Café is seen in the 600 block of Canal Street in New Orleans on Tuesday, Sept. 15, 2026. (Staff photo by Brett Duke, The Times-Picayune)

STAFF PHOTO BY BRETT DUKE

Dickie Brennan's restaurant group has notched a win in its [legal fight](#) with the Werlein family over the future of the landmark Canal Street building that was home to the Palace Café for 35 years.

The battle over who will purchase the four-story building — a late 19th-century structure that was home to the family-owned Werlein's Music store for a century until Dickie Brennan & Co. converted it to the Palace Café in 1990 — has taken on a broader significance amid recent developments along Canal Street, the mile-long corridor that was once a retail mecca and one of the South's finest boulevards.

In a ruling last month, the Fourth Circuit Court of Appeals said that an Orleans Parish judge erred in a 2025 ruling over how to determine the value of the historic building, which the Werleins own and the Brennans, as part of a decades old agreement, have an option to purchase.

The lower court's ruling had effectively cleared the way for the Werleins to [sell the building to local businessman Lenny Motwani](#), a member of the family that owns numerous bars, restaurants and retail shops on Canal Street and in the French Quarter.

But the Fourth Circuit's ruling scuttles the sale to Motwani, for now at least, and potentially opens the door for a bid from Brennan. No trial date has been set yet.

“We were delighted with the decision,” said attorney Randall Smith, who represents the Brennans. “It is not the finish line, but it is a turning point and gives us a chance.”

An attorney for the Werleins, Philip Franco, said he has requested a status conference with the judge as soon as possible so a trial can be scheduled and the matter can be resolved.

“We expect to be successful,” he said.

The lawsuit over the building has delayed its sale at a time when New Orleans business and civic leaders are trying to revive the street. In recent months, [Adler’s jewelers](#) has closed, as well as [Saks Fifth Avenue](#) and [Jack Sutton](#) in Canal Place. High- and moderately priced retail tenants have continued to give way to T-shirt shops, chain restaurants and vacant storefronts, despite numerous efforts over the years to revitalize the thoroughfare.



The former Palace Cafe is seen in the 600 block of Canal Street in New Orleans on Tuesday, Sept. 15, 2025. (Staff photo by Brett Duke, The Times-Picayune)

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In July, Mayor Helena Moreno [announced a new initiative](#) targeting the challenges of Canal Street, saying, “we are bringing back Canal Street because it is long overdue.”

The future of the Palace Café, long considered a gem of Lower Canal Street, could help determine the future of those revitalization efforts.

“I believe it will come back as something nice, if not from the Brennans, which I would like to see, then from someone else,” said longtime Canal Street retailer and advocate David Rubenstein. “It’s too important not to.”

'Paying twice'

At issue in the case is the 35-year lease for the building that the Werleins signed in 1990 with Dickie Brennan & Co., owned by Brennan, his sister Lauren Brennan Brower, and Steve Pettus. The document gave Brennan an option to buy the building when its lease expired in June 2025.

When Brennan notified the Werleins last year that it wanted to exercise its option, the two sides could not agree on a price. An appraiser for the Werleins valued the property at around \$8 million. The Brennans said the millions they had invested in the building over the years should be deducted from the sale price, which they said should be around \$4 million.



People make their way across Canal Street near the former Palace Café in New Orleans on Tuesday, Sept. 15, 2026. (Staff photo by Brett Duke, The Times-Picayune)

STAFF PHOTO BY BRETT DUKE

The Brennans filed suit. In the meantime, the Werleins gave notice that the Palace Café's rent would increase around \$8,000 a month to the "market rate" of \$45,000 a month once the lease expired.

In June 2025, Orleans Parish Civil Court Judge Ellen Hazeur ruled in favor of the Werleins. Not long after, the restaurant closed. Then, in September, Franco said the [Werleins had reached an agreement](#) with Motwani to purchase the building.

In its recent ruling, however, the Fourth Circuit said Hazeur's interpretation of the lease was wrong and that requiring the Brennans to pay fair market value for the property that they had improved at

their own expense would be “an inequitable result requiring them to pay for the improvements ‘twice’ in a sense.”

The court noted that the Brennans had produced evidence dating back to negotiations for the building in 1990 that showed the Werleins “never suggested during those negotiations that (the Brennans) would be required to pay for its own improvements a second time.”



The metal framework of a former rooftop sign is seen atop the former Palace Cafe in the 600 block of Canal Street in New Orleans on Tuesday, Sept. 15, 2026. (Staff photo by Brett Duke, The Times-Picayune)

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But the court also found that the language in the lease was ambiguous and unclear, which is why it ordered the matter back to the lower court for a full-blown trial.

More questions than answers

While both sides wait for Hazeur’s court to set a date for a trial, questions cloud the future of the building.

It is unclear if Motwani is still interested in the building or whether his purchase agreement with the Werleins has expired. His plans for the

property were never disclosed. He is not a party to the legal dispute and is not named in any of the court documents.

He did not respond to a request for comment.

Also uncertain is how quickly Brennan could get the Palace Café back up and running, if they prevail in a trial and are able to eventually purchase the building.

It has been more than a year since the Palace Café closed. In the months since, Brennan, whose family of restaurants includes Dickie Brennan's Steakhouse, Tableau, and Pascal's Manale, among others, has moved Palace Café staff and some of the furniture to other establishments. The rest of the furnishings are in storage.



Banquette seats from the former Palace Café are now part of a renovated dining room at Pascal's Manale Restaurant in New Orleans. (Staff photo by Chris Granger, The Times-Picayune)

STAFF PHOTO BY CHRIS GRANGER

The family is still interested in purchasing the building and reopening, said Smith, “but they’re not counting their chickens before they’re hatched.”

Rubenstein said he is hopeful that the dispute will be successfully resolved. If not, he believes the property, given its location, condition and historic condition, will attract a buyer with plans to turn the site into a high-end or “nice restaurant.”

He notes that the former restaurant is within the Canal Street Historic District, which means there are potential restrictions to any changes that could be made.

“It belongs as a business lunch place, or more,” he said.

Email Stephanie Riegel at stephanie.riegel@theadvocate.com.