

Carlton Square Homeowners Association v. John D. Lusk & Son, et al.

CASE NO.: YC 020 074, consolidated with YC 022 089

SETTLEMENT DATE: November 20, 1997

CASE TYPE: Defective Construction

RESULT: \$8.5 Million Settlement; \$8.5 million in compensatory damages: \$5.893 million from Defendant Lusk Company and \$2.607 million from subcontractors. This settlement included all but five Defendant subcontractors.

COURT: L.A. County Superior Court, Torrance **JUDGE:** Jean E. Matusink

SUMMARY: Homeowners in residential complex claim construction defects; \$36 million cost of repair

PLAINTIFF ATTORNEY: Knopfler & Robertson, By: Alexander Robertson, IV; Jonathan S. Vick, and Janice M. Michaels, Woodland Hills

DEFENDANT ATTORNEY: Howard, Moss, et al., By: Theodore Howard and James Orland, Santa Ana, Lusk Co.; Haight, Brown & Bonesteel, By: Jay R. Seashore, Santa Monica, Lusk Co.

FACTS: Plaintiffs were the owners of 478 townhomes and condominium units in a residential housing complex in Inglewood which were constructed in separate phases during 1986-88 by Defendant Lusk developers. Over 30 subcontractors were also sued as Defendants or Cross-Defendants.

PLAINTIFF: That Defendant developers were strictly liable for the defects in the design and construction of the common areas of the complex. Plaintiffs' causes of action included strict liability, negligence, breach of implied warranty and breach of fiduciary duty.

DAMAGES: Defective roofing, waterproofing, window leaks, soil subsidence due to improper compaction, damage to foundation due to expansive soils, improper surface drainage, failure to waterproof retaining walls and ruptured plumbing lines, as well as tile, drywall, stucco, fireplace, painting, decking, landscape irrigation, weatherstripping and sheet metal deficiencies. Plaintiffs' initial cost of repair claim was \$36 million.

DEFENDANT: Contended that the defective work was the fault of the subcontractors; that the repairs could be performed for substantially less than Plaintiffs' repair estimate.

DEMAND: \$36 million **OFFER:** \$3 million

NOTES: Ross Hart, Esquire, with the American Arbitration Assoc. was arbitrator.

See Neubauer's Confidential Report for Attorneys No.: 9181