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**Marina Del Rey Condominium Building Recovers over \$4 Million
For Faulty Construction from a Bankrupt Builder**

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Los Angeles, Calif. (2012) – The U.S. Bankruptcy Court for the District of Delaware approved a \$4.1 million settlement awarded to the Indigo Community Association in Marina del Rey for numerous construction defects. Substandard waterproofing caused leaks in the dwelling units, the lobby, and through the podium deck whenever it rained. In addition, the framing of the elevated walkways suffered so badly from being constantly saturated that structural emergency shoring was erected to protect against further decay and collapse.



These units were sold as luxury condominiums in 2007 by WL Indigo Associates LLC and WL Homes, part of the venerable Irvine developer, John Laing Homes. In 2006, at the peak of the U.S. real estate boom, Emaar Properties, a giant United Arab Emirates real estate company, bought John Laing for more than \$1 billion. But in February 2009 WL Homes and John Laing Homes filed for Chapter 11 bankruptcy as part of the downturn of the economy and the building industry.

The 77-unit residential building at the Indigo Community Association reached a settlement in mediation in less than two years from the date of the filing of the complaint in Superior Court. The recovery is being funded by insurance companies for the builder, general contractor and 40 subcontractors. A \$1 million deductible had to first be satisfied in order to trigger the larger insurance policy. This was accomplished by segregating the proceeds from sale of three penthouse units, previous assets of the bankrupt builder.

“Oftentimes, condo owners don’t realize that insurance and assets exist to cover construction defect claims even after the builder declares bankruptcy. And California Condo Associations do have protection, even when faced with claims against parties in bankruptcy courts.” said attorney Thomas E. Miller of The Miller Law Firm.

Dan Stern, President of the Homeowners Association, states, “We knew we had serious building issues but we did not know how the builder’s bankruptcy would impact our ability to recover enough funds to repair all of these defects. After many months of investigating, testing, and mediating our claims, restoring the value to our Community Association and in our homes is our primary focus.”

Thomas E. Miller, Rachel Miller and Matthew Miller of The Miller Law Firm (www.ConstructionDefects.com) have recovered over \$500 million on behalf of Condominium Associations with construction defects and are the co-authors of, “Home and Condo Defects: A Consumer Guide to Faulty Construction,” (Seven Locks Press, 2012), available at www.amazon.com.

Detailed information regarding this case can be accessed via the Los Angeles Superior Court website at www.lasuperiorcourt.org, case number BC438110.