

The Miller Law Firm Settles Construction Defect Claim for Arts District Homeowners Association in Only 5 Months

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Los Angeles, California – The Beacon Lofts Association has obtained a \$1 Million settlement for a wide range of building standard code violations and faulty construction.



This adaptive reuse condominium project located in the Arts District of Los Angeles was converted by developer Alameda & Fourth, LLC and general contractor SESA Construction. Builder Pekar Pilavjian, co-owner of St. Vincent Jewelry Center,

purchased a 5-story 1923 building that once served as a storage facility for the Berkins Company and later served as a jewel manufacturing company. Pilavjian and his associates envisioned a development with live-in residential units on the outer edge of the Arts District and transformed the concrete building into a 6-story, 53 residential condominium association. Construction began in 2005, but halted in 2011 due to the recession. Construction resumed in 2011 and the industrial live-work lofts project was completed in 2013.

Concerned with how their 4 year old building was performing during the first wet winter Southern California had seen in recent years, the Beacon Lofts Board of Directors contacted The Miller Law Firm for a full evaluation of their project.

The Builder was served with a Notice of Action under Senate Bill 800 (SB 800) for various sub-standard performance issues concerning water intrusion at the roofs, doors and windows, excessive condensation, leaking and corroded plumbing system, and cracked foundation, siding and pavement.

Without ever filing a formal complaint, this \$1 Million settlement was reached through mediation efforts facilitated by Ross R. Hart, Esq. of Arbitration Mediation Conciliation Center (AMCC), in only 5 short months.

Because the Builder had a limited “burning limits” insurance coverage policy, The Miller Law Firm was able to recover additional funds by attaching a builder-owned unit to this settlement.

Thomas E. Miller, CEO of The Miller Law Firm says, “The Beacon Lofts Association is fortunate in that builder Alameda & Fourth, LLC still owned a unit in the building. These assets were attached to the settlement, allowing us to capture additional funds to facilitate enough money to complete the building’s much needed repairs.”

According to Senior Partner Rachel M. Miller, the poor building conditions at Beacons Lofts follows the recent trend of shoddy construction seen in the Los Angeles area. “Our firm has recovered in excess of \$37 Million for various Los Angeles Homeowner Associations in the last 5 years alone. In some instances, the available insurance simply isn’t sufficient to complete the required repairs. Boards don’t often realize that additional assets, such as developer owned units, can be used to fund the settlement to make up the difference and restore the building and community.”