

Loft/Condo Owners Share \$1.3M Settlement

LOS ANGELES - May 24, 2004 - Owners of the 20 loft/condominiums at the Toy Warehouse in downtown Los Angeles will share about \$1.3 million in a settlement stemming from a lawsuit over alleged construction defects, attorneys said Monday.

The 20 Toy Warehouse lofts at 215 S. Santa Fe Ave. sold out almost immediately after construction in 2001-02, with prices ranging from \$200,000 to \$490,000.

Homeowners claimed when they moved in, they began to hear their neighbors cooking dinner, talking, watching TV, snoring in their sleep and even using the bathroom, plaintiffs' attorney Thomas E. Miller said.

After looking into the problem, they alleged that the builder never followed the building plans and omitted soundproofing between the walls and the floors, Miller said.

The condo owners sued, claiming the developers knew about the problem and concealed it.

The case went to trial in Los Angeles Superior Court. But about two weeks in, just as the plaintiffs rested their case, the suit was resolved, Miller said.

Hal G. Block, an attorney for developer Decoma Industries, said the monetary value put on the settlement includes some repairs the builder "had to do anyway."

His said the settlement does "not have a direct relationship to the damages," but declined to elaborate.

Z Zazhinne is a loft owner and president of the Toy Warehouse Loft Owners Association.

"As seasonal loft-dwellers, we are used to renting and fitting out warehouses into viable living and working spaces at our own expense," Zazhinne said.

"However, the Toy Warehouse lofts were sold to us as 'high-end finished new construction' and we paid the prices for that. We are elated and relieved that at last we will be able to create the dream lofts that we purchased."

Brian Kabateck was lead counsel for the plaintiffs.

"In order to keep developers and their insurance companies honest and to continue to pay for consumer claims for shoddy construction, it becomes necessary to try these cases," he said.

"Trial by jury is the ultimate protection for the home buying public, and the fact that this

case was resolved in less than 16 months is a boost for California consumers," Kabateck said.

The owners will receive their settlement within 60 days, he said.