

Construction Defect Settlement Achieved

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December 07, 2002 - The West Trop Condominium Owners Association recently settled a construction defect lawsuit in District Court for more than \$5.5 million in damages.

It's the largest construction defect recovery in Nevada funded entirely by subcontractors and their insurance carriers, said Bruce Edwards, a mediator from San Francisco.

The Nevada-based Trop-Edmond partnership built the 327-unit condominium complex at 5155 W. Tropicana Ave. in 1992.

Reliance, the Pennsylvania-based insurance carrier for the developer, was one of the nation's largest insurers, but has since been declared insolvent by the department of insurance.

Edwards conducted the initial mediation before this insolvency and continued mediation with the key subcontractors following the insolvency proceeding.

At the time, the developer didn't have insurance coverage, making this complex case even more of a challenge, Edwards said. The settlement had to be completely funded by the subcontractors' insurance carriers.

Judges Kathy Hardcastle and Allan Earl were instrumental in the negotiations, he said.

The West Trop Condominium Owners didn't answer Friday phone calls seeking comment.

The lawsuit claimed water intrusion through thin stucco with exposed meshing, inadequate window framing, mislapped or inadequately lapped sisalkraft flashing around the windows and inadequate waterproofing of entry and private decks caused the damages.

The Jimmerson Hansen law firm of Las Vegas handled the West Trop case in association with Thomas Miller, a California attorney who has recovered more than \$450 million in construction defect litigation.

He said more than half of new condominiums have substandard construction, and homeowners have eight years after their home is built to file a claim against the builder.