

## **SCG group sues Webb**

Patrick O'Grady, Surprise Today

*Homeowners file \$100 million class action suit*

**January 17, 2002**- A group of Sun City Grand homeowners filed a \$100 million class action lawsuit Wednesday morning against the Del Webb Group, alleging the company had serious defects in the homes in constructed in the Surprise development.

Webb officials, however, said the lawsuit amounts to about a dozen homeowners and is not representative of the community of more than 6,000 homes.

Tom Miller, the attorney representing the homeowners, said the lawsuit alleges problems with homes, from cracking in foundations, drywall and ceilings to repetitive termite issues.

"We see a fairly consistent pattern of issues in all of their subdivisions," said Miller, the same attorney representing several homeowners in class action suits in two other Webb developments -- Terravita in north Scottsdale and Anthem in New River.

Although filed, a judge must verify that the problems experienced by the homeowners are indicative of the entire community to certify the class action against Webb.

Neither of the other two lawsuits has been certified. The Anthem lawsuit is for \$50 million and the Terravita lawsuit is for \$40 million.

Webb officials said the lawsuits come from a small group of disgruntled homeowners. The builder has repeatedly fixed items in their homes, they said.

"As we talk to the people in the community, we become confident this is an issue of only a handful of residents and not the majority of our residents," said Webb spokesman John Waldron.

A letter sent by Webb to residents this week discloses that Miller's firm had met with residents in the community, and tells homeowners that if they join the lawsuit they would be responsible for paying for any repairs to their houses while the lawsuit is ongoing.

"We are completely confident that we can repair these issues," Waldron said. "Grand was built with the highest quality, and we're comfortable we can handle the issues."

In Grand, as in other communities, Webb offers a two-year warranty on its homes, and there is an eight-year statute of limitations on repairs to any home found defective, Waldron said.

The owners filing the lawsuit disagree that Webb has remedied problems with their homes.

Wayne and Earlene Phippen, who were the first to file, said they contacted Miller after an independent inspection of their home revealed several problems. Webb fixed nearly all of them, but did not install weather blocking under the roof's apex.

Earlene Phippen said she was told the strip designed to keep water from leaking under the tile was not considered mandatory a year before Webb built her house in June 1999. She said she is concerned there may be other homes with a similar problem.

"The only thing is, what happened to these people that didn't have \$300 to pay for that inspection," she said.

The couple have purchased three homes in the community, and their first two had similar problems with cracking ceilings and joints, Earlene Phippen said.

Jim Carroll, another resident joining the lawsuit, said he had cracks in his ceiling repaired three times by Webb, only to have them reappear. One crack runs 25 feet across his ceiling, while another appears inside and outside along a window in the back of his house. Other cracks are visible in the bedroom near the joints of walls and ceilings, including one that spread from a corner jaggedly across the ceiling to the other wall.

"This crack has been repaired several times," said Carroll, pointing to a line in his garage visible under the paint. "Finally they used some webbing to fix it, which they should have done in the first place."

Both the Pippens' and Carroll's homes have gone beyond the two-year warranty. Carroll said many of the repairs were begun while the home was under warranty, but Webb will not do anything because it's no longer covered.

"In my case, the warranty is long gone," he said.

Stan Smith, another Grand resident involved in the lawsuit, said he has had problems ranging from cracks in the tile grouting and tiles popping out of the floor to five termite infestations. His home was one of the first built in the community in 1997.

"I owned a home for 35 years (before moving to Sun City Grand), and it was termite free," he said.

Smith said he discovered the substance originally sprayed in his house to deal with termites only kept them at bay and did not kill them. Smith said he paid for the final application himself.

The problems cited in the lawsuit are not the result of the recent acquisition of Del Webb by Pulte Homes, as the homes in question are all about three to five years old, Miller said.

"We don't see any change since Pulte took over," he said. "This is basically a Del Webb designed and built subdivision."

Webb said it has many satisfied customers in Sun City Grand.

Lael Taft, a neighborhood representative who acts as a liason between the residents and the community's board, said he attended the meeting with Miller and residents and doesn't agree with the plaintiffs' assessment of the problems.

"They would lead you to believe there are monumental problems at many, many houses, and I don't believe that's the case," Taft said.

Taft said he has had few problems with his 3-year-old home, and Webb officials have been prompt in fixing them. He instead said he believes it's a matter of what people are expecting.

"When you have thousands of people moving in from all over the country, you're going to have different expectations," he said.