

REAL PROPERTY

LANDLORD AND TENANT

Breach of Warranty of Habitability,
Class Action

SETTLEMENT: \$3,060,000.

CASE/NUMBER: Valdivia, et al.
v. 3049 8th Street, L.P., et al. /
BC361404.

COURT/DATE: Los Angeles
Superior Central / Oct. 19, 2009.

MEDIATOR: Joe W. Hilberman,
ADR Services Inc.

ATTORNEYS: Plaintiff - Peter L.
Weinberger (Peter L. Weinberger
& Associates, Los Angeles); Daniel
J. Bramzon, Benjamin G. Ramm
(BASTA Inc., Los Angeles); Bryan
K. Sheldon, Bruce G. Iwasaki,
Yvonne Ballesteros (Lim, Ruger &
Kim, LLP, Los Angeles).

Defendant - Jack C. Nick, Jack
R. Reinholtz (Prindle, Decker &
Amaro, LLP, Long Beach); Patrick
J. Stark (Lewis Brisbois Bisgaard &
Smith LLP, Los Angeles).

MEDICAL EXPERTS: Plaintiff
- Gary Richwald, M.D., internal
medicine, Los Angeles.

TECHNICAL EXPERTS: Plaintiff
- Michael Chulak, attorney at law/
real estate/property management,
Agoura Hills; Kory Kruckenberg,
construction, Oceanside; Anthony
Weimholt, construction, code
enforcement, Norwalk.

FACTS: Plaintiffs brought a class
action on behalf of tenants of a
137-unit apartment building in
the Koreatown section of Los
Angeles. The plaintiffs complained
of poor sanitation resulting in rat
and cockroach infestation, lack of
regular heat, hot water and proper
building maintenance.

The tenants sued defendant
property owners alleging breach of
covenant of habitability, breach of
contract and statutory breaches.

PLAINTIFFS' CONTENTIONS:
The plaintiffs contended that
the defendants failed to properly
maintain the building even after
being served with notices to comply
from city and county inspectors.

DEFENDANTS' CONTENTIONS:
The defendants contended that they
made all repairs promptly upon
being given notice of the problems.
The tenants' poor housekeeping
and damage of the property created

the problems in the building.

The defendants asserted that the
case was not appropriate for class
certification because of variation in
damages and causation between the
tenants.

RESULT: The case settled on the
eve of trial for \$3,060,000, which
included \$1 million in attorney fees.
Balance to class members pro rata
based upon their length of residency
in the building during the class
period.

OTHER INFORMATION: The
first mediation in December 2007
resulted in no settlement offer. The
second mediation in April 2008
resulted in \$200,000 settlement
offer. The initial settlement demand
prior to filing suit was \$3 million.

FILING DATE: Nov. 3, 2006.