

ERVIN COHEN & JESSUP SECURES \$93M AGAINST STRIP MALL DEVELOPER WIN INVOLVING CHINO HILLS PROPERTY AMONG LARGEST RECENT VERDICTS IN L.A.

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LOS ANGELES – March 23, 2018 – Law firm Ervin Cohen & Jessup (ECJ) has scored a whopping \$93 million verdict against a major West Coast developer who sold a Power Center in Chino Hills while withholding material information on tenants that had disclosed that they were contemplating bankruptcy, behind on rent and might soon default on their lease or leave.

The verdict is one of the largest in Los Angeles County over the past year – a credit to the attorneys at ECJ, who represented CRCH LLC against Amin S. Lakha of Lakha Properties of Bellevue, Wash., which owns several major commercial properties across the West.

“The tremendous verdict demonstrates that developers who withhold vital information can expect the deal to be overturned,” said Barry MacNaughton, the lead trial lawyer and Co-Managing Partner at ECJ. MacNaughton led the trial team that included Litigation Partner Rusty Selmont and Litigation Paralegal Charlene Emerson.

“It’s one of the most egregious cases of fraud that I’ve ever seen,” MacNaughton said. “Tenant performance is one of the most material pieces of information regarding any commercial property, particularly shopping centers. The judge recognized that the defense defrauded the plaintiff by withholding pertinent information. We’re confident this will be upheld on appeal.”

The deal dates back to August 2008 – a delicate economic time for retailers and developers. When CRCH learned that retailer Broadway Shoes was leaving the Center, it was so concerned that it rejected the deal until the parties renegotiated a lower price and put Lakha on notice that the CRCH was very concerned about tenant performance and stability. Despite this, the Judge found that Lakha fraudulently concealed that several other retailers, including the now-defunct Sport Chalet, were financially struggling and might also

PROFESSIONALS

Barry J. MacNaughton

Russell M. Selmont

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Construction

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leave, MacNaughton said.

The case, BC478341, was heard by retired state appellate judge John Zebrowski and entered by Los Angeles Superior Court Judge Monica Bachner. The court ordered that Lakha repay CRCH's down payment (approximately \$30 million including interest) and that Lakha owed approximately \$63 million to the lender, which foreclosed.

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