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AlvaradoSmith secures a \$7.1 million victory in the 4th District Court of Appeal

In *Elks Building Association of Santa Ana v. J.K. Properties, Inc.*, the 4th District Court of Appeal granted Kevin Day and Jacob Clark a complete appellate victory– affirming a trial victory for more than \$7.1 million. Kevin successfully represented the Elks in a breach of a commercial ground lease lawsuit against its tenant, which destroyed a historic hotel on property owned by the non-profit. Under the tenant’s management, the hotel fell into disrepair and later burned down by not one, but two separate fires. The span of litigation included a public nuisance action and appointment of a receiver, the loss of all entitlements for the property, and eventually a forced sale to address the tenant’s failures. Following a lengthy, heavily-contested trial, Kevin and Jacob obtained a \$5.9 million judgment plus the recovery of attorney’s fees for the Elks.

The tenant appealed the Court’s ruling, arguing that it provided the Elks the benefit of free demolition so that the Elks could sell the property for approximately \$4 million more due to the costs savings of the demolition. The Court of Appeal affirmed the trial court on all issues, and the Elks will be receiving their attorney’s fees on appeal. Due to the vigorous collection efforts led by Kevin and Jacob immediately following the trial, the tenant deposited \$8.9 million with the Court instead of a bond, ensuring that the Elks will recover the full judgment amount, interest and all attorney’s fees and costs.

The Elks used the funds won at trial to build this brand-new lodge to replace the destroyed former lodge.

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