

# Daily Journal

## Contracts

Breach of Contract  
Failure to Pay

### Court

Los Angeles County Superior Court

### Attorneys

#### Plaintiff

Victor L. Wolf  
(Best, Best & Krieger LLP)  
for TRL Systems Inc.

Kenneth J. Crede  
(Law Offices of Kenneth J. Crede)  
for World Mechanical Inc.

Grant R. Mullen  
(London Fischer LLP)  
for World Mechanical Inc.

Scott S. Mizen  
(Veatch Carlson LLP)  
for World Mechanical Inc.

Robert T. Mackey  
(Veatch Carlson LLP)  
World Mechanical Inc.

#### Defendant

Earle H. Cohen  
(Carlson &Cohen LLP)  
for Browning Fire Protection Inc.

William S. Edic  
(Mavredakis Phillips)  
for Browning Fire Protection Inc.

John D. Darling  
(Hunt, Ortmann, Palffy, Nieves,  
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for Plaza La Reina

Dale A. Ortmann  
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for Plaza La Reina

## World Mechanical Inc. v. Bernards Builders, Inc. et. al.

Published: Feb. 23, 2024 | Result Date: Jan. 9, 2024 | Filing Date: Jun. 20,  
2016 |

Case number: SC126014

Verdict – **\$4,981,625\***

### Facts

This case involved a dispute over the construction of a boutique hotel owned by Plaza La Reina located in Los Angeles (“project”). Bernards Builders, Inc. was the general contractor on the project. Bernards hired various subcontractors, including World Mechanical (“WMI”), to perform the actual construction work on the project.

Bernards alleged that Plaza breached their contract by delaying the project work and failing to pay Bernards all amounts due and owing, including Bernard’s claims for extra work, which totaled \$5,069,887.

Plaza alleged that Bernards breached their contract by failing to complete the project on time, free from defects, and in accordance with the terms of the parties’ contract and sought to recover from Bernards the sum of \$12,876,579.

Bernards stipulated that Plaza was entitled to \$1,566,237 for the amount Plaza paid to repair improperly installed condensate lines by WMI, plus \$91,508 in defective work by other subcontractors.

Bernards denied responsibility for the remaining damages alleged by Plaza.

### Settlement Discussions

Over the course of almost seven years, the parties participated in over a dozen mediations and settlement conferences prior to the jury’s award. Bernards’ last offer to Plaza was approximately \$4.5 million dollars.

### Result

The jury awarded Bernards the full \$5,069,887 it sought from Plaza and, on Plaza’s cross-complaint, the jury awarded Plaza the

**Cross-Complainant**

Ted R. Gropman  
(Troutman, Pepper, Hamilton &  
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for Bernard's Builders Inc.

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for Bernard's Builders Inc.

Namvar A. Mokri  
(Mokri, Vanis & Jones LLP)  
for Bernard's Builders Inc.

**Cross-Defendant**

David H. You  
(Clark Hill LLP)  
for Bob Ward Electric Inc.

D. Creighton Sebra  
(Clark Hill LLP)  
for Bob Ward Electric Inc.

Tala Rezai  
(Clark Hill LLP)  
for Bob Ward Electric Inc.

Josiah C. Boggs IV  
(Kirk & Myers)  
for Integrity Sheet Metal

\$1,657,745 in damages that Bernards stipulated Plaza was entitled to. The jury denied Plaza the balance of the \$12.87 million it sought from Bernards for alleged delay and defect damages, resulting in a net recovery by Bernards against Plaza in the sum \$3,387,602. Bernards also recovered from WMI \$1,594,023 on Bernards' indemnity cross-complaint.

**Other Information**

After the jury's verdict, there was extensive briefing on the entitlement to prejudgment interest, fees and costs. The court found Bernards to be the prevailing party and thus awarded Bernards an additional \$1,699,943 in prejudgment interest, and \$6,438,466.23 in fees and costs, for a total award of \$11,526,011.39 to be paid by Plaza. In addition, Bernards secured a judgment against WMI in the principal sum of \$2,206,284.88 plus prejudgment interest of \$430,092, for a total of \$2,636,376.88.

**Deliberation**

1.5 days

**Poll**

unanimous

**Length**

3.5 months