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# dbbr DAILY BUSINESS REVIEW

## Condo Owners Suing Kolter Stage Buyer-Beware Protest



Seven homeowners from Kolter Homes' San Matera development staged a protest outside Kolter's newest Palm Beach Gardens project, Alton.

by **Samantha Joseph**  
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After years of legal wrangling, members of a condominium association took their dispute with a developer to the streets — or at least to a sidewalk outside the builder's latest project.

Protesters from a Palm Beach Gardens community built by affiliates of Kolter Homes LLC said they wanted

to warn potential buyers that the builder allegedly refused to fix millions of dollars worth of construction defects at their development.

Seven homeowners from Kolter's San Matera development staged a protest Saturday outside Alton, a project marketed as "the biggest new home event in Palm Beach Gardens history."

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## **PROTEST**

They stood on a sidewalk on the southwest corner of Donald Ross Road and Parkside Drive across from the community where prices range from \$417,900 to more than \$1.1 million to stage a buyer-beware campaign.

"Kolter = bad homes," their picket signs read.

The protesters own condos in a Palm Beach Gardens development near the posh Gardens Mall. But their board, the San Matera The Gardens Condominium Association, has been fighting Kolter for years over what they say is widespread shoddy construction.

"They're just furious. The board is furious," said association attorney David Haber of Haber Slade in Miami, who was not involved in the protest. "They're getting screwed, but then they see Kolter selling new developments."

Kolter's attorneys, Lorie Gleim of Greenberg Traurig and Michael Hornreich of Weinberg Wheeler Hudgins Gunn & Dial, had no comment.

The dispute dates back to 2010 when the association accused the builder of delivering a project riddled with roof leaks, damaged windows and other flaws. The homeowner association filed a \$42 million construction defect suit in Palm Beach Circuit Court against a Kolter affiliate, the Grande at Palm Beach Gardens Inc.

The association's 122-page complaint alleged 46 counts including negligence, breach of contract, professional negli-

gence, breach of statutory implied warranties and violation of Florida's building codes. It lists a litany of construction flaws including lighting defects, window gaps, sloping balconies and exterior work that allows water to seep through cracks rather than drain off water-proofed buildings.

"I didn't know about the litigation," said protester Maryann Morrison, who paid \$130,000 in a 2011 short sale for a San Matera condo that had last sold for \$345,000. "I get rust coming in on my blinds, which means it's in the walls."

The suit claims Kolter created the Grande at Palm Beach Gardens Inc., a single-purpose company to develop and run San Matera, a 30-building community with 676 units built in phases from 2000 to 2005 and marketed as luxury condominiums. It alleges the developer contracted with other Kolter affiliates to create the project and distribute profits upstream to the parent company. Some of the companies have since closed, but the litigation ballooned into a legal battle with multiple countersuits and more than 40 defendants including subcontractors.

"The bottom line is they're playing the shell game, saying that the new Kolter is not the old Kolter and that it's a new entity," Haber said. "My clients' view is that Kolter is Kolter. If you screwed up the construction, fix it. Don't sit there and hide behind all these corporate entities."

A trial is set for August before Palm Beach Circuit Judge Cheryl Caracuzzo.

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