

Miami Herald

Lawyers in suit over Surfside collapse reveal staggering legal settlement: \$997 million

*By Linda Robertson
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In a surprisingly swift resolution of the Champlain Towers South class-action lawsuit, relatives of the victims and survivors of the Surfside condo collapse have reached a settlement that will pay them nearly \$1 billion, a state court judge was told Wednesday.

The comprehensive settlement announced in Miami-Dade Circuit Court Judge Michael Hanzman's courtroom effectively closes the litigation phase of the case. Still to be decided: the individual shares the plaintiffs, including family members of the 98 people who died in the collapse, will receive.

"We have gotten \$997 million in proposed settlements before you — and it could be a billion before the end of the week," said Harley S. Tropin, a lawyer representing the plaintiffs. "We will be done. The money will be distributed. These victims will get some measure of relief."

Hanzman hoped to have the case resolved before the one-year anniversary of the collapse of the 136-unit oceanfront building in Surfside that fell at 1:22 a.m. on June 24. Although the judge said he expected far less, lawyers had hoped to recover \$1 billion. But both goals were considered "a longshot," Hanzman said.

"The result achieved and the speed is beyond extraordinary," Hanzman said. "When this case first came in this court, I told everyone this wouldn't be

business as usual. This was a tragedy of unspeakable proportions. If we didn't have the right people handling this case, it would be a 10-year slog with tens of millions in attorneys' fees."

Plaintiffs settled with at least 10 entities, including the insurers of the security company for Champlain South, the developers of the condominium next door, engineers, architects, a law firm and the Champlain South condo association.

They include 8701 Collins Development, Terra Group, Terra World Investments, John Moriarty and Associates of Florida, NV5, DeSimone Consulting Engineers, Stantec Architecture, Morabito Consultants and the law firm Becker.

The Herald has learned an approximate breakdown of the \$997 million total. Various parties associated with the Eighty Seven Park condo adjacent to Champlain South settled for about \$400 million. Parties associated with the Champlain South condo association account for about \$100 million. The town of Surfside is settling for a sum in the low, single-digit millions. Securitas, the security company responsible for safety systems at Champlain South that included smoke alarms and intercoms, settled for the largest amount, in the neighborhood of \$450 million to \$500 million.

The last major defendants to settle were 8701 Collins Development and Terra Group, the developers, and John Moriarty and Associates, the general contractor of the neighboring ultra-luxury, Renzo Piano-designed Eighty Seven Park condo, located just south of the Surfside municipal border with Miami Beach. They were accused in the litigation of destabilizing Champlain South during Eighty Seven Park's construction in 2016 when metal sheet piles were driven into the ground about 12 feet from the Surfside condo's perimeter wall around the pool deck.

They will pay an undisclosed sum to the plaintiffs without admitting any negligence. Champlain South residents claimed vibrations from sheet-pile driving rattled their building — knocking pictures off their walls and nearly throwing one resident off a treadmill. Five years later, the pool deck at Champlain South broke away from the structural wall near where the pile-driving occurred. Seven minutes after the deck caved in, half of the 12-story tower collapsed.

However, the majority of the wall connection did not fail, including in areas where measured vibrations were highest. Experts consulted by the Herald said vibrations five years earlier could not have triggered the collapse nor were they strong enough to damage a healthy structure. But Champlain South was under-designed and poorly maintained.

The Eighty Seven Park firms deny their work had anything to do with the collapse in 2021. They said the vibrations, which were measured and monitored, were too low to have caused “structural damage to any portion of Champlain Towers South.”

“Our clients’ insurers made a business decision to contribute to the overall settlement of this litigation in order to resolve claims against them and avoid the time, expense, and inconvenience of litigation,” said Michael Thomas, attorney for 8701 Collins Development. “Our clients’ participation in any eventual settlement is neither an admission of liability nor recognition of the validity of any of the plaintiffs’ claims. The design, development, and construction of Eighty Seven Park in no way caused or contributed to the collapse of Champlain Towers South. Hopefully, ending this litigation will help bring some closure to the survivors of this tragic event.”

Hanzman said he wants to finalize the agreement before the June 24 anniversary and distribute funds by the fall.

“The defendants faced a lot of exposure, whether they were liable or not,” he said. “We’ve taken a black swan case that we hope we will never see again and did the best we could to resolve it. But we know the value of these 98 death claims will exceed the recovery.”

Champlain South was in need of structural repairs when it embarked on its 40-year recertification, a mandated safety checkup. It was starting renovations when the building fell.

Pablo Rodriguez, whose mother, Elena Blasser, and grandmother, Elena Chavez, were in unit 1211 and did not survive the collapse, said the timing and amount of the settlement was better than he anticipated.

“It shortens what would have been years of painful litigation dragging on, but no amount of money makes it OK for any of us,” he said. “It’s still raw, I still

wake up in the middle of the night with the video of the collapse on my mind and Mother's Day was sad. And it is very disheartening that the Florida Legislature did nothing about reforms on condo safety. Everybody promised, nobody delivered."

Pablo Langesfeld lost his daughter, Nicole, 26, and her husband, Luis Sadovnic, 28, in the collapse.

"Nothing in the world can cover the loss of my daughter. I will be heartbroken forever," he said. "This is not about the money. It's about holding those at fault accountable so this doesn't happen again."

Surviving unit owners who previously and reluctantly agreed to an \$83 million settlement will not reap the millions that heirs will receive for their wrongful death claims in the \$997 million settlement. A small number of surviving unit owners with personal injury and psychological harm claims could remain in the case. Owners and heirs had been engaged in a bitter dispute over how to divide the money fairly. The owners, many disappointed at the rush to get them to exit the case, had hoped Hanzman would wait to see what some of the major settlements would yield so they could receive the full value of their lost property, will only receive a fraction of the value of their units and none of the proceeds from the upcoming sale of the land.

Three of the major defendants previously agreed to payments totaling \$55.55 million, all covered by their insurance carriers. The law firm Becker, which represented Champlain South's condo association, will pay \$31 million. Morabito Consultants, hired by the association to inspect Champlain South for the recertification, will pay \$16 million. And DeSimone, structural engineer for Eighty Seven Park, will pay \$8.55 million. The condo association's insurance paid out \$50 million.

The resale value of the Champlain South property was not included in the total. The 1.8-acre parcel at 8777 Collins Ave. will be auctioned on May 24. Already the opening bid is \$120 million. That will increase the settlement to close to \$1.1 billion.

"Understanding that no compensation can bring back loved ones, we are extremely proud to have delivered results that simply were not viewed as

possible last summer, and to deliver a result such as this in the time frame we did," said Brad Sohn, who filed the first lawsuit related to the collapse.

Herald staff writer Jay Weaver contributed to this report.