

Seniors Recover \$111M from Slumlord Mobile Home Park Owner

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The owner left the park in deplorable condition, with broken fences, frozen water faucets and open electrical connections

Elderly residents in San Jose, CA, who were fed up with a greedy corporate property owner that let their mobile home park decline into a crime and drug-infested slum successfully recovered \$15.3 million in compensatory damages and a mammoth \$95.8 million in punitive damages.

Sixty one senior citizens recovered a total of \$111,081,634 in a breach of contract, negligence and nuisance lawsuit against Equity LifeStyle Properties, Inc., a real estate investment trust in Chicago. It is the largest mobile home property owner in North America, with 379 properties in 32 states and British Columbia consisting of 140,333 sites.

“The company bought the property in 1997 but took no effort to maintain the part while collecting \$4 million in rent per year, but spending only \$250,000 in maintenance,” said plaintiff lawyer [Jim Allen](#) of the law firm Endeman, Lincoln, Turek & Heater, LLP in San Diego, CA.

Each homeowner was awarded a different amount. Compensatory damages ranged from \$50,000 to \$195,000 per home, and emotional distress damages ranged from \$25,000 to \$600,000 per person. The seniors took a big risk in pursuing the lawsuit, because if they had lost, they would have had to pay the company’s legal fees under California law.

A deplorable place to live

As the common areas fell into disrepair, drug sales and gang activity increased in the mobile home park.

A park operator has a legal duty of maintain the common area in good repair. By 2005 there was drug and gang activity in the park, the fences were falling down and the pool was closed by the health department. “It was a deplorable place to live,” Allen said.

“They put a manager in place in 2005 and he tried to get things fixed, but the upper management wouldn’t release any money to do repairs,” he said. When water valves froze and lighting fixtures started releasing electricity into the ground, the residents filed suit in 2009.

As the case proceeded, LifeStyle Properties abruptly began making repairs. “Once we got close to trial they beautified the park with paved streets and new paint,” Allen said. But the jury saw through it.

“The biggest obstacle I face was I had no one with physical injuries or economic damages. But the case was about the struggle and how seniors shouldn’t have to go through this,” he said. “The verdict says that first of all a jury will value residents in a mobile home. Second, punitive damages are not covered by insurance. It tells the owners ‘you better maintain your park, because it’s a lot cheaper than getting punitive damages from a jury.’ ”

The case is D. Andrade vs. MHC Operating Limited Partnership, No. 109CV140751, California Superior Court for Santa Clara County.