

Perkins Coie Wins Arizona Court Ruling for Commercial Real Estate Investors Against Title Insurer in Great Recession Condominium Case

PHOENIX (December 16, 2019) - Perkins Coie was successful in obtaining an insurance bad faith award of \$5 million against Commonwealth Land Title Insurance Company, in a case involving two high-rise condominium towers located in Tempe, Arizona, formerly known as Centerpoint.

The jury awarded \$5 million in damages for Commonwealth's handling of claims under two multimillion-dollar title insurance policies. The jury found that Commonwealth acted in bad faith by refusing to pay or to resolve liens that it had insured against under its title insurance policies.

The case has been pursued for the benefit of hundreds of people who provided the money to a commercial real estate lender known as Mortgages, Ltd. that was loaned to the developer of Centerpoint for the construction of the project. Many of those people lost their life savings after the failure and bankruptcy of Mortgages Ltd., and the suicide of its owner, Scott Coles, during the Great Recession in 2008.

"This ruling is a notable victory for hundreds of people whose money was used to construct the Centerpoint condominium project, and who have suffered severe financial losses," said Perkins Coie. "We are pleased to have won this judgment, but the fight is not over, and we will continue to pursue additional claims against Commonwealth and its sister company, Fidelity National Title Insurance Company, to recover as much as we can for those people."

Prior to its collapse in 2008, Mortgages Ltd. was Arizona's largest private commercial real estate lender. It used money from private investors to make loans for the acquisition and development of numerous real estate projects. As part of Mortgages Ltd.'s bankruptcy, each of its loans was transferred into a new, separate company that is owned by the people who provided the money for that loan, including a company for the people who provided the money that was loaned to construct Centerpoint.

ML Manager LLC was created to manage all of the new companies, and the operations of those companies have been overseen by Chief Operating Officer Mark Winkleman and ML Manager's board of directors since 2009.

"This jury award of \$5 million is another important step in our decade-long effort to recoup as much money as is possible for the investors who were hurt by the Mortgages Ltd. bankruptcy, and specifically in this case for the people who provided the money to construct the Centerpoint towers," said Mark Winkleman.

In 2018 Perkins Coie also obtained a separate judgment of approximately \$3.5 million against Fidelity National Title Insurance Company, for the investors who provided the money to Mortgages, Ltd. that was used for its loan on another project in Scottsdale, Arizona, known as Ten Wine Lofts.

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