

Condominium Association Reaches Multimillion-Dollar Settlement for the Replacement of Defective Roof Shingles

Challenge: A condominium association had to decide whether to join a class-action lawsuit to enforce a roofing manufacturer’s warranty on newly installed, yet defective roof shingles. The class action significantly limited the association’s legal options.

Solution: Porter McGuire Kiakona & Chow, LLP (PMKC) pursued legal alternatives that aligned with the association’s best interests, opting out of the class-action lawsuit.

Result: The manufacturer paid the association for the re-roofing in a multimillion-dollar settlement.

“Despite 11 years of the manufacturer’s attorneys delaying proceedings and refusing to take responsibility for the roofs’ deterioration, Christian Porter and his team reached a rewarding settlement. If not for the team’s upmost professionalism and unwavering diligence, I believe the association would have faced a troubling outcome – or even worse, still be waiting for a verdict.”

Albert J. Denys, former Chief Operating Officer, Hawaii First

In 1993, an association replaced the condominiums’ roof shingles to prevent leaks and enhance property values. Although a considerably large investment and time-consuming, the return was anticipated to far outweigh the costs.

Unfortunately, the roof shingles proved defective within a few years of installation, making 82 condominiums’ roofs as well as their interiors susceptible to weather damage. The manufacturer refused to uphold its 50-year warranty. The association was given the option to enter into a class-action lawsuit against the manufacturer. The board initially believed the class action would lead to compensation, not realizing the limitations of this approach.

PMKC determined that the association’s interests would be best served by opting out of the class-action lawsuit and pursuing alternative resolution strategies. The firm prepared the association’s case for mediation, conducting an extensive review of the law, coordinating a survey of the shingles’ deterioration, collecting evidence and securing witness accounts. Despite PMKC making several attempts to negotiate an agreement between all parties, the manufacturer was uncooperative and PMKC took the dispute to court.

PMKC advocated the association’s case aggressively. Within two weeks of the jury trial, a multimillion-dollar settlement was reached in the association’s favor that funded the replacement of all 82 condominiums’ roofs. It was the biggest re-roofing project in Hawaii at the time.