



NEWS

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JUDGMENT TOTAL REACHES \$63 MILLION

JUDGE AWARDS MTA \$21.7 MILLION IN ATTORNEY FEES IN CASE AGAINST CONSTRUCTION GIANT TUTOR-SALIBA-PERINI

A Superior Court judge has ordered the construction joint venture Tutor-Saliba-Perini (TSP), its various entities, and bonding companies to pay \$21.7 million in attorney fees that MTA incurred as the result of a lawsuit filed by TSP related to its role in building the Metro Red Line subway.

The decision also covered a subsequent counter suit filed by MTA under the California False Claims Act. The ruling by Judge Joseph R. Kalin brings the judgment total against Tutor-Saliba-Perini to \$63 million.

In making the ruling, Judge Kalin noted that MTA had incurred \$10.8 million in legal expenses that were "related, reasonable and necessary in this litigation." Kalin noted, however, that the rates charged by attorneys for MTA were less than those charged for the quality of work provided under similar circumstances in the legal community.

In addition, Kalin said that, given the complexity of the case and "the litigation conduct of TSP, the attorneys for MTA were required to provide extraordinary services which resulted in a verdict beneficial to the public, thus entitling MTA to an enhancement of its legal fees by an appropriate multiplier." As a result, Kalin doubled the award to \$21.7 million.

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"We all can be proud that MTA has stood its ground in the fight to hold Tutor-Saliba-Perini accountable for the illegal and unethical way it conducted business with this agency," said John Fasana, MTA Board Chair. "The court's ruling is not only a victory for the MTA, it also is a victory for the system of public contracting and for the people of Los Angeles County."

"MTA works with hundreds of contractors who play by the rules, get paid in full and enjoy a reasonable profit," said Fasana. "We welcome their participation as we go about the business of improving mobility in the county today and into the future."

"As the MTA has said many times before, the case against Tutor-Saliba-Perini was not just about money," he added. "We hope to send a strong message to these contractors and all the others that do business with MTA or any other public agency in Los Angeles County that they must abide by the law or face stiff consequences."

Kalin's ruling stems from a series of legal actions dating from the mid-1990s. In 1995, Tutor-Saliba-Perini sued MTA for \$20 million in damages for refusal to pay a number of claims the company made involving construction of three Metro Red Line stations on Wilshire Blvd. MTA filed a cross complaint in 1999 under the contract and False Claims Act, accusing TSP of unfair business practices and making false claims regarding construction costs. Both suits were combined in one trial before a single jury.

In July 2001, after several weeks of testimony, Kalin ruled that TSP and its attorneys had "intentionally concealed, withheld and destroyed records and documents relevant and crucial to the trial." All damage evidence was then presented and the jury awarded MTA damages totaling \$29.5 million.

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Kalin also awarded MTA pre-judgment interest of \$2.4 million and several weeks later ordered TSP to pay MTA \$9.3 million for other costs incurred in conducting its case. The order awarding attorney fees brings the judgment total to \$63 million.

Tutor-Saliba-Perini has filed a notice of appeal.

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