



**T**hanks to all of our clients, families and friends for a successful 2010.

*Gilchrist & Rutter* had an active year closing some of the biggest real estate deals in Southern California, working with our clients to purchase, finance, lease, manage and sell real estate and represent clients in litigation, environmental and employment matters.

G&R also recently invested in the firm's future by extending its own office space lease in Santa Monica. The firm's personal highlights include *Henry Herrman's* elevation to partnership, attorney awards and honors, speaking engagements, published articles and media spotlights

We look forward to a prosperous 2011 for all of our clients, families and friends! 

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### **Saving a Deal When Environmental Consultants Don't Agree A Transaction and Environmental Insurance Case Study**

*By Donald C. Nanney*



When buyers and sellers need to close a deal, clashing environmental consultants can cause pessimism and confusion. However, environmental insurance can close the gap and finalize deals. This article explains how useful environmental insurance can be, by telling the story of a Gilchrist & Rutter client who recently closed a successful transaction where the seller's consultant concluded there was no "recognized environmental condition" (REC) but the buyer's consultant concluded that there was a REC and recommended extensive additional site assessment.

*To continue reading this article, please visit  
GilchristRutter.com - News - Articles - Environment.*

### **Market Outlook from G&R Attorneys ...**



During these difficult economic times, handling disputes efficiently is critical. We have recently seen the heightened importance of early mediation in efforts to settle disputes. Our institutional clients are insisting that mediation start at the outset of cases, rather than waiting until trial, to save legal costs. I recently settled a major lawsuit in favor of our

client where hundreds of thousands of dollars in legal fees were spent before resolution; at that point the parties chose to pay for a settlement rather than pay even more for the costs of litigation.

If efforts at mediation fail, then pursue pretrial resolution, such as demurrers and motions for summary judgment. Once a judgment is obtained, immediately initiate collection efforts, to obtain priority in case of a bankruptcy by the losing party. Pursue collection aggressively; including recording abstracts of judgment and scheduling judgment debtor exams.

I am not urging the ruthless pursuit of litigation at all costs. That approach is costly and often does not get results. However, in litigation, act reasonably but firmly, extend courtesy to opposing parties and try to work cooperatively. When courtesy is not reciprocated, counsel needs to aggressively move the litigation forward to maximize recovery.

*Frank Gooch III* is a partner at Gilchrist & Rutter.

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### **In Memoriam**



*Susan Fowler McNally*  
1957 – 2010

Thank you for everyone's love and support.

A Memorial Service for Susan will be held at noon on January 22, 2011 at Westchester United Methodist Church, 8065 Emerson Avenue, Westchester, CA 90045.

*For more information, please visit GilchristRutter.com*

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## Deals & Judgments

Gilchrist & Rutter regularly handles real estate transactions, litigation, and related matters for clients dealing with a range of issues. Below are recent representative deals and judgments. To talk with us about a similar deal or matter, contact the listed attorney.

- Obtained a significant victory for the California Charter Schools Association, ordering the Los Angeles Unified School District to make school facilities available to every qualified charter school that requests them. (*Phillipa Altmann*)
- \$140 million sale of Southern California office/industrial portfolio. (*Peter Swain*)
- \$12 million construction loan obtained for client's proposed senior housing facility in Los Angeles County. (*Duane Montgomery*)
- 44,000 square foot lease for a 10-year term, for a two-floor office space in downtown Los Angeles. (*Henry Herrman*)
- Secured title insurance coverage for a title defect, after multiple denials of the claim by the carrier. Client received compensation for "diminution in value" from unpermitted residence alterations, which were the subject of a city enforcement action. (*Christine Page*)
- 29,000 square foot lease for a 20-year term, for the downtown Los Angeles Equinox healthcare and fitness center, representing the landlord. (*David Lambert*)
- Retail lease to Verizon franchisee for a wireless telecommunications center for a 10-year term, representing the owners of an Orange County shopping center. (*Steven Heller*)
- For a high-profile restaurant space in Santa Monica, successfully obtained judgment and negotiated new tenant lease within 30 days. (*Henry Herrman*)

- "Pop-up" lease to a retail food concept, on short term flexible lease, for REIT owner of a downtown Los Angeles office/retail project. (*Steven Heller*)
- Caused the Regional Water Quality Control Board to issue a Notice of Violation against a subsidiary of an oil company that contaminated our client's property. Resulting from efforts of our client, consultants and the Firm, this "N.O.V." enforcement action is a major step toward forcing the oil company to remediate its contamination, which will allow our client to move forward with its plans to expand and develop its property. (*Don Nanney*)

## Investing In Our Future



Gilchrist & Rutter has extended its lease for its ocean-view office space in Santa Monica, California, at the

Wilshire Palisades building at 1299 Ocean Avenue. The firm's 9th floor location provides unobstructed ocean views and is walking distance from the Santa Monica Pier and Third Street Promenade. "We are investing in the future of the firm, and our offices reflect the accomplishments of the Gilchrist & Rutter team," said managing partner, *Jonathan Gross*. The 10-year lease for more than 16,000 square feet was negotiated to include tenant improvement funds and provides flexibility for the growth of the firm.

***Gilchrist & Rutter provides updates on legal trends as a service to keep our valued clients and friends informed of the latest legal news. It is designed only to give general information on the developments actually covered. It is not intended to be a comprehensive summary of recent developments in the law, treat exhaustively the subjects covered, provide legal advice or render a legal opinion.***

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