

Termites get cozy in condo complex, lawsuit follows

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Tucked away on a street ending at the Manatee River, River Place condominium complex provides waterfront living in a quiet neighborhood.

The buildings also have become home to subterranean termites despite pest control services, according to a lawsuit filed last week in Hillsborough County Circuit Court.

River Place Condominium Association at Ellenton Inc. sued Orkin Inc. and David Bernstein, an Orkin employee who was

assigned to provide termite control services, a complaint in court records states.

Peter Cardillo, a Tampa attorney who specializes in termite litigation, said termites have caused more than \$500,000 in damage at the condominium complex.

The lawsuit alleges Orkin and Bernstein were "required to perform subterranean termite control services for the plaintiff but were negligent in the exercise of the performance of their duties."

River Place owners are seeking a judgment for damages that include expended repair costs, future repair costs, storage

costs, lodging expenses for owners who have to vacate during repairs, refunds of the initial contract payment and renewal payments, and court costs.

In a deposition in another pending Hillsborough lawsuit against Orkin, Bernstein said he was instructed to fill out termite re-inspection reports and sign the customers' names without examining buildings.

Orkin, a wholly owned subsidiary of Rollins Inc. (NYSE:ROL) in Atlanta, has revenue of \$670 million and about 7,500 employees. Orkin has 1.6 million residential and commercial customers.



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River Place Condominium Association in Ellenton filed a lawsuit against Orkin, alleging subterranean termites damaged buildings.

NUMBERS IN SHORT SUPPLY

Martha Craft, Orkin's public relations director, said the company does not comment on pending litigation and requested questions to be submitted by e-mail.

The company does not share information about the number of customers in Florida or the number of claims, she said in an e-mailed response to questions. Less than 1 percent of Orkin termite customers file claims, and the majority are resolved without going to court, Craft wrote.

In addition to being a defendant in other cases, Orkin is the target of a racketeering investigation started by the Florida attorney general earlier this year.

Orkin states in its 10-Q filing dated July 30 that it does not expect legal proceedings to have "a material adverse effect" on the company's financial position, results of operations or liquidity.

The company also stated it received a subpoena from the Florida attorney general for termite services documents and is "cooperating fully."

However, Orkin filed suit in April as the Doe Corp. in Orange County, seeking to block the subpoena.

"Orkin believes that some of the documents requested by the attorney general are irrelevant to the issue and could jeopardize customer privacy and trade secrets," Craft wrote.

Cardillo last week filed a motion to intervene in the lawsuit on behalf of four clients suing Orkin.

Three of the four — Lighthouse Bay Holdings LTD, Cypress Lake Apartments LTD and Park Place Apartments — have lawsuits pending in Hillsborough circuit court. The fourth plaintiff is a Sumter County condominium.

They allege in their complaints that Orkin engaged in racketeering conduct, including false advertising, forgery and perjury.

"What we're trying to do in seeking intervention is help clients who have racketeering claims," Cardillo said.

The Park Place lawsuit alleges that former Orkin employee Jack Cox admitted to forging Orkin customer signatures on "hundreds if not thousands" of the company's re-inspection reports, masking the lack of inspections.

Orkin requires customer's signatures on re-inspection forms, Craft said in her written response.

"We do take our internal policies seriously, and those rogue employees who were found to have broken corporate policies in this regard were terminated upon confirmation of the allegations," she wrote.

Cardillo's clients seeking to intervene own a total of about 800 units in multi-building complexes. Their collective compensatory claims total about \$35 million.

When tripled under the state's racketeering statute, the total would be \$105 million.