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## Vecellio mansion trial continues after \$79,000 jury award

### Builder says he is 'vindicated' in case involving disputed repairs to oceanfront house.

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By Darrell Hofheinz

Daily News Real Estate Writer

After last week's jury award of nearly \$79,000 — a mere fraction of what Leo and Kathryn Vecellio hoped to get in their civil lawsuit — attorneys are gearing up for the remainder of the trial focused on the couple's Palm Beach mansion. Proceedings will resume Aug. 19 without a jury before Circuit Judge Gregory Keyser.

The Vecellios reportedly are seeking nearly \$14 million related to their home, which was built on "spec" without a specific buyer. Their lawsuit claims they discovered serious construction defects, including water intrusion, after they bought the 25,000-square-foot house and guesthouse in 2008 for a price upward of \$40 million. They claim they were forced to spend more than \$11 million on renovations to remedy mold growth, fix roof and window problems, and make other repairs to the property at 589 N. County Road.

Filed in December 2009, the suit alleges that the oceanfront home's builder, developer, sellers and subcontractors knew about the alleged defects prior to its sale.

But jurors found the subcontractors blameless and said longtime Palm Beach builder Dan E. Swanson, in his role as "agent of the sellers," had no prior knowledge of any defects that "materially affected the value of the property which were not readily observable" by the Vecellios, according to the Aug. 2 verdict.

The jury did find that Swanson had "knowingly made a false statement or intentional omission concerning a material fact" and should pay \$78,984 in damages as a result.

On Tuesday, Swanson took the award in stride and praised the jury's decision.

"After a 10-week jury trial, I am grateful for the jury's verdict that vindicated me and my longtime subcontractors," Swanson said in a statement. "I respect the jury's dedication and their verdict, and look forward to bringing this matter to a conclusion."

Attorneys for the defendants have argued that there were, in fact, no construction problems, saying the Vecellios' extensive renovations represented improvements — many cosmetic in nature — unrelated to the quality of the original construction or the materials used.

Swanson heads Addison Development Corp. and Addison Construction Corp., the companies that developed and built the house for the limited liability company that sold it. That company, in turn, was headed by Laura and Dean DeSantis, who funded the construction. The DeSantises also are defendants in the suit.

Leo Vecellio said Tuesday that he and his wife were “disappointed” by the jury’s award.

“The claims we had against the subcontractors and the subcontractors, which were decided by the jury, were reasonably narrow and very specific. We were limited as to the claims we could bring against (them),” Vecellio said.

He added: “The evidence that we (already) presented will still be considered by the judge. There will be more evidence to be considered. I’m determined to see this through.”

The rest of the trial is expected to deal largely with contractual and construction-warranty and related issues involving Swanson, his two companies and the DeSantises, according to sources familiar with the case. Keyser will rule on those issues.

The lawsuit’s defendants originally included more than 10 subcontractors and suppliers, but most had settled with the Vecellios before the trial began on June 17. The jury only considered claims against Deerfield Builders Supply Co., Gulfstream Roofing Inc. and Eagle Window & Door as well as a “third-party” defendant, Blade Window and Door Co.

The Vecellios are seeking reimbursement for their renovations plus money to cover costs they incurred after moving out of the house while it was undergoing renovation.

Citing the ongoing legal proceedings, attorneys for the Vecellios declined to discuss the suit. Several of the defendants’ lawyers did likewise, while others could not be reached.

Leo Vecellio heads The Vecellio Group Inc., a conglomerate that includes Ranger Construction Co., which builds roads.

With more than 30 years of building experience, Swanson has built dozens of spec and custom residences in Palm Beach and other areas. They include an oceanfront spec house at 101 El Bravo Way, currently priced at \$37.5 million by the Corcoran Group, and a 30,000-square-foot custom home under construction at 1840 S. Ocean Blvd.

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