

Fashion Blacksmith law suit decision filed in the Superior Court

June 20, 2023



Fashion Blacksmith, Inc. boat service and vessel repair, through its attorney George Mavris filed its arbitration decision in favor of Fashion Blacksmith, last Wednesday.

The plaintiff released the following statement:

Fashion Blacksmith, Inc. is Crescent City Harbor District's longest standing tenant. Fashion has been operating under a Lease Agreement with CCHD since January 1, 1980. Under the original lease, Fashion was to provide boat repair services to the local fishing fleet and CCHD was to maintain the exterior and roof of the Fashion Blacksmith boat repair shop.

Over the years, the lease was renewed multiple times. One such renewal added language which required that the CCHD dredge the area underneath Fashion's mechanical boat lift (known as a Syncrolift), so Fashion could haul and launch boats. Without dredging, the syncrolift, which is essentially a large elevator, could not attain its design depth which greatly restricts Fashion's ability to haul and launch larger boats.

During the nearly four decades following the initial Lease, Fashion's reputation for excellence in the boating field extended well beyond the Harbor. In fact, Fashion's work has been featured in multiple national boating magazines, which, in turn, lured boats from all over the United States to the Crescent City Harbor to be worked on by Fashion. This positive notoriety has placed our harbor in a favorable light and has been a revenue generator for the harbor and broader local economy during the term of the Lease.

Unfortunately, commencing after the lease was renewed in 2015, the harbor engaged in a pattern of conduct apparently designed to frustrate Fashion's ability to remain a viable entity. First, the Harbor allowed critical dredging permits to lapse. Additionally, the harbor allowed the boat repair building to fall into disrepair and ignored Fashion's multiple pleas for dredging under the syncrolift.

Even more egregiously, in 2020, CCHD claimed that Fashion failed to exercise its option to renew its lease and took the position that Fashion would need to negotiate an entirely new lease if it wished to stay.

When Fashion pointed out CCHD had scheduled meetings only called for in their lease renewal letter that they claimed they did not receive, CCHD had to concede that Fashion had, indeed, renewed their lease which can be renewed through 2035.

Failing at its attempts to force Fashion out but still refusing to undertake the clear obligations required under the lease to fix the building and dredge to design depth, Fashion was compelled to take legal action against the CCHD to enforce its rights under the lease.

Rather than conceding the clear contractual obligations, CCHD took on an aggressive posture hiring two large Los Angeles law firms attempting to legally bully Fashion into submission.

Indeed, internal text messages revealed the CEO (Harbormaster Tim Petrick) and his assistant boasting about "unleashing the full weight" of its lawfirms on Fashion so they could watch "Ted (Ted Long Fashion CEO) cry."

Unfortunately for the harbor, neither the full weight of its two lawfirms (Cruiser Mitchell and Best Best and Kreiger) including the four full time attorneys they had at the local arbitration hearing, nor the seven "hired gun" experts were enough to overcome the opposition put up by Fashion and its local team consisting of George Mavris and Chris Van Hook.

Following four days of arbitration, the panel ruled resoundingly in favor of Fashion Blacksmith.

The final arbitration award requires the harbor to pay \$1,298,545.00 in damages to Fashion, refund, \$87,780.54 in rent, pay \$306,600 in attorney fees to Mavris and \$112,325 to Van Hook as well as reimbursing \$134,927.03 in litigation costs. Until paid, the award will continue to accrue at seven percent interest per the panel's ruling.

All in, CCHD must pay, \$1,950,886.13 which includes the seven percent interest.

However, not only did the panel award almost two million in up-front damages, the panel also required the CCHD repair the Fashion building by September 15, 2023 and dredge to design depth by October 31, 2023. To add teeth to its ruling, the panel indicated that should the Harbor fail to accomplish these tasks by dates set forth in the ruling, the panel would consider further damages against the Harbor, including punitive damages.

Fashion Blacksmith, Inc, sincerely hopes the Crescent City Harbor District respects the ruling of the arbitration panel and promptly complies with its terms.

This concludes The Fashion Blacksmith statement.

The Triplicate reached out to the CCHD for a comment. Harbormaster Tim Petrick released the following statement:

CCHD is analyzing its options and working to find a solution to these issues.

This story remains an active story, subject to appropriate follow-up.