

BREAKING: Katy Perry, Catholic Church Win \$10M In Convent Sale Trial

By **Melissa Daniels**

Law360, Los Angeles (December 4, 2017, 3:55 PM EST) -- A California jury awarded \$10 million in punitive damages to Katy Perry and the Roman Catholic Archbishop of Los Angeles on Monday after finding that a real estate developer acted with malice in interfering with the pop star's planned \$14.5 million purchase of a sprawling empty convent.

Monday's verdict is the second in the case, following a mid-November decision awarding about \$5 million in combined attorneys' fees to Perry's The Bird Nest LLC and the Roman Catholic Archbishop of Los Angeles after jurors found developer Dana Hollister interfered with the church's sale to Perry by entering into a separate deal to buy the property from two nuns. The jury also found that Hollister acted with malice against the church and Perry, setting the stage for a second trial phase on punitive damages.

Two-thirds of Monday's punitive damages award will go to the Roman Catholic Archbishop of Los Angeles and an affiliated entity, with one-third going to Bird Nest. Los Angeles Superior Court Judge Stephanie Bowick thanked the jury for their service in a trial that, including jury selection, holiday breaks and arguments, lasted more than a month.

The parties have spent two and a half years in court after Hollister agreed to buy the property from two nuns who used to live there and recorded a grant deed before Perry's purchase could be completed, clouding the title and sending all parties to court.

Perry's attorney Eric Rowen of Greenberg Traurig LLP told Law360 that the punitive damages verdict represented a "just award." He said he had given the jury an estimate of \$5 million in punitive damages, while the church had asked for \$7 million.

"I think the jury was convinced Ms. Hollister had done a lot of bad, wrong things," he said. "There was a contract, there was an agreement, and there was malicious interference."

Last week, Judge Bowick presided over a hearing without the jury present on Perry's request for additional attorneys' fees that the jury didn't award, as well as a declaratory relief claim that says Bird Nest has a valid contract to buy the property, and for injunctive relief preventing Hollister from interfering with the purchase. A hearing is scheduled for Dec. 15.

The convent, in the hills of Los Angeles' Los Feliz neighborhood, is the former home of the California Institute of the Sisters of the Most Holy and Immaculate Heart of the Blessed Virgin Mary, a religious

nonprofit whose membership is down to five sisters. Built in 1930, it encompasses 25 bedrooms and 29 bathrooms across about 19,000 square feet.

When two of the nuns — Sister Rita Callanan and Sister Catherine Rose Holzman — heard of the archbishop's plan to sell the property to the pop singer for \$14.5 million, they made a deal to sell the convent to Hollister, a developer and restaurant owner, for \$10 million, according to court records.

The archdiocese filed suit in June 2015 to block the Hollister sale, and Perry filed a cross-complaint three months later, asserting she had a contract in place giving her the "exclusive right" to buy the convent.

A ruling on a motion for summary judgment determined that the convent, dubbed the Waverly property, is an asset of the institute, which is controlled by the church.

The 10-day first phase of the trial focused on the archbishop's and the institute's claims that Hollister improperly recorded the grant deed against the property and interfered with the church's plans to sell the property to Bird Nest. As cross-complainant, Bird Nest said it entered a valid transaction with the institute and has the written approval of the archbishop to buy the property.

Hollister's counsel denied any intentional interference during the course of the proceedings, saying that the developer had relied on the nuns and their attorneys to ensure that her purchase was legitimate. As a result, Hollister wound up getting caught in a long-running dispute between the two sisters and the archdiocese, her counsel said.

The Roman Catholic Archbishop of Los Angeles and the California Institute of the Sisters of the Most Holy and Immaculate Heart of the Blessed Virgin Mary are represented by J. Michael Hennigan, Kirk D. Dillman, Robert J. King and Robert W. Mockler of McKool Smith Hennigan PC.

The Bird Nest LLC is represented by Eric Rowen, Michael Starler and Lisa McCurdy of Greenberg Traurig LLP.

Hollister is represented by Michael A. Geibelson and Daniel L. Allender of Robins Kaplan LLP, Randy S. Snyder of the Law Offices of Randy S. Snyder and Frederick R. Juckniess of Juckniess Law Firm PLC.

The suit is Roman Catholic Archbishop of Los Angeles et al. v. Dana Hollister, case number BC585604, in the Superior Court of the State of California, County of Los Angeles.

--Additional reporting by Daniel Siegal. Editing by Emily Kokoll.