

Lawsuit: Hard Rock owners stiff contractor



David and Jon Park, owners of the Lake Tahoe Hard Rock, are being sued for \$10 million by one of the contractors. Photo/Denise Haerr

By Kathryn Reed

A contractor who did millions of dollars worth of work at Lake Tahoe Hard Rock is suing the owners for lack of payment.

“There are a lot of good people out of a lot of money right now. We are fighting for all of them,” Joe Stewart with SMC Contracting told *Lake Tahoe News*. “They haven’t given us a legitimate reason why they won’t pay us. They have used a lot of stall tactics.”

SMC did most of the work on the ground level – meaning the casino floor and restaurants.

The original contract was for \$9.6 million. It ballooned to more than \$19 million. To date SMC has been paid about \$10 million and has about that much more to collect.

“We worked with them on a daily basis, almost hourly,” Stewart said. “They signed change orders they have not paid us on.”

Stewart said the owners were well aware of what the costs were as they requested changes.

Brothers David and Jon Park own the property. In October 2013 it was announced that the Park family, which has a number of holdings on the South Shore and in the Carson Valley, would be dividing their assets. The brothers got possession of what was the Horizon at the time.

These two have nothing to do with the Edgewood Lodge that will break ground in August – which SMC is working on – nor Edgewood Tahoe Golf Course.

When the lease was about to expire at the Horizon they initially were going to create what was going to be called the Park Tahoe, which is what MontBleu was named when it first opened. Then last summer it was announced the brothers were infusing \$60 million into what would become the Hard Rock hotel-casino.

Rumors had been swirling even before the Jan. 28 opening that there were cost overruns and not all of the improvements originally planned would be developed.

Neither of the Park brothers returned calls.

According to the lawsuit that was filed last week, the owners submitted revised drawings in November – this was listed as revision No. 9. But the changes didn’t stop there, they just weren’t numbered after that.

“... the fact that eight revisions beyond that were contracted for were provided during the course of construction, the value of work performed more than doubling the original contracted contemplation by the contractor, all demonstrates the bad faith and unscrupulous practices of Neva, its agents and its

representatives," the court documents states.

Neva is the name of the company the Park brothers started for the Hard Rock project.

Many of those who are owed money are subcontractors from the Lake Tahoe and Reno area, with a few from Sacramento. SMC has paid a few of the smaller ones out its pocket.

"The short story is the owners made an incredible amount of changes to the project after it started and they demanded it get open by Jan. 28, but that came at a big cost," Stewart said. "Once the building opened, they said they won't pay us."