

## The Lawyers of Hermes, Netburn, O'Connor & Spearing, P.C. Get Cost Effective Results in Construction Defect Case

### KEY SERVICES

Litigation

- Construction

### RELATED ATTORNEYS

Peter G. Hermes

**June 30, 2016**

Hermes, Netburn, O'Connor & Spearing, P.C. represented a major general contractor/construction manager in an action brought by a condominium association alleging defects and leaks in a completed luxury condominium. After joining the involved subcontractors as third parties in the litigation, rather than commence lengthy and expensive discovery, we prevailed on the counsel for the condominium association to make a settlement demand, which we then took to the subcontractors and its insurers.

Each of the subcontractors had worked with the firm's client for many years and received a significant portion of their business from this contractor. We convened a meeting of the principals of the subcontractors and their attorneys and carefully explained the reality that faced these subcontractors. The settlement demand from the condominium association, when equitably divided among the subcontractors, with the client taking a share, was in the approximate amount of the subcontractors' deductibles on their insurance. Additionally, it was far less than the transactional costs involved in conducting litigation in a construction case involving claims of alleged defects in dozens in units. As a result, each subcontractor committed to make payments to settle the case and to preserve its business relationship with our client. The case settled and our lawyers were successful in obtaining releases from all of the unit owners in the condominium.

This case contrasts markedly with other litigation in which contractors and sub-contractors engage in costly litigation over many years only to settle on the eve of trial for an amount which could have resolved the case years earlier. At Hermes, Netburn, O'Connor and Spearing, P.C. we are committed, wherever possible, to seeking cost-effective solutions for our clients, even in the most complex situations. We can create novel strategies appropriate to our client's business needs and pursue those strategies at all stages of pre-suit claims and lawsuits.