



**Meltzer Lippe's construction law practice successfully defends against \$22 million suit**

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Manny Frade

Adam Wald

Max Rayetsky

Mineola, NY Meltzer, Lippe, Goldstein & Breitstone LLP's construction department, led by practice chair Manny Frade along with Adam Wald and Max Rayetsky, defended a client against a \$22 million delay claim filed by a subcontractor in connection with the renovation of a subway station that had been destroyed during the September 11, 2001, attacks on the World Trade Center. Meltzer Lippe represented the project's general contractor, Judlau Contracting Inc., one of the country's largest "heavy civil" construction firms and a subsidiary of OHL North America, one of the world's pre-eminent construction and civil engineering firms.

The subcontractor alleged that Judlau failed to “meaningfully sponsor” the subcontractor’s claim against the MTA that the subcontractor incurred tens of millions of dollars in damages due to MTA-caused delays and demands that the work be accelerated so the station could be open by the September 11th anniversary in 2018 and, as a result, the subcontractor was not made whole for its alleged damages.

The arbitration panel rejected the subcontractor’s allegations, finding that Judlau had properly passed the subcontractor’s claim through to the MTA and that the subcontractor failed to establish that Judlau was liable for any delays, ultimately awarding the subcontractor only the \$1.6 million that the MTA had previously agreed to pay, along with a limited amount of additional monies for excess “premium time” that the subcontractor claimed it expended in connection with the MTA’s directed acceleration. The arbitration panel held that “a prime or general contractor is not required to blindly present a subcontractor’s claim to an owner when it has reason to believe the claim lacks merit. This is especially true in the world of public works where doing so could arguably result in debarment.”

Meltzer, Lippe, Goldstein & Breitstone is a full-service law firm with offices in Mineola, Manhattan and Boca Raton, FL. The firm’s 80-plus attorneys represent businesses and individuals in over 16 practice areas.

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