

CONSTRUCTION LAW NEWSLETTER

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TRENDS IN CONSTRUCTION LAW

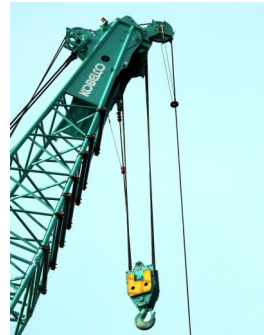
New York Attorney General Eric Schneiderman recently announced the settlement of legal claims made against five firms that performed work on the Rochester school renovation project. Although the firms admit no wrong doing in the settlement of the claims, according to the Attorney General, all five firms lied about subcontracting with MWBE firms and in many cases, gave the MWBE firms kick-backs in exchange for falsified documents.

The five firms agreed to pay \$825,000 in fines associated with the matter.

New York State has the highest required percentage of MWBE utilization in the country—30% on applicable projects.

The announcement by the Attorney General reinforces that the State of New York is serious about enforcing MWBE requirements.

Simply providing documents from MWBE firms is contrary to the law and could result in



scrutiny from state officials, as in the Rochester schools project.

Care should be taken to fully comply with MWBE requirements.

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CASE LAW UPDATE

On October 19, 2016, the Second Department Appellate Division decided the case of *Matter of CAFS Mgmt. Corp. v. Q Realty & Dev., Inc.*

The case centered on a mechanic's lien filed against a multi-family dwelling. The owner filed a petition to summarily discharge the lien because the lienor's name was misstated in

the lien and also because the lien was filed more than four months after the last date material or labor was furnished by the lienor.

The lienor's legal name was "Q Realty & Development Group, Inc." However, its name stated in the lien was "Q Realty & Development, Inc."

The Court denied the motion to discharge the lien, holding that the minor error in the name of the lienor was a non-jurisdictional defect capable of amendment. It further held that because the property was a multiple dwelling unit, the eight month period for filing a lien applied, rather than the four month period for a single family dwelling.

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Consult your attorney regarding specific legal needs. This may be construed as attorney advertising. Prior results do not guarantee a similar outcome.