



Case, Ibrahim
& Clauss, LLP
Attorneys at Law



Construction ♦ Real Property ♦ Business ♦ Personal Injury

714-540-3636

Case, Ibrahim & Clauss, LLP

NEWSLETTER
July / August 2016

Contact Managing Partner: Brian S. Case, Esq.
(714) 540-3636
Southern California Main Office
15615 Alton Parkway
Suite 260
Irvine, CA 92618
www.ciclaw.com

[Contact Us](#)



California Appellate Court Approves the Use of the *Eichleay Formula* for Proving Delay Damages.

"Time Means Money" to General contractors and Subcontractors when their work is delayed due to poor plans, scheduling or changes forced upon them. Courts and construction businesses



have struggled with methodologies for proving damages caused by delays on a construction project.

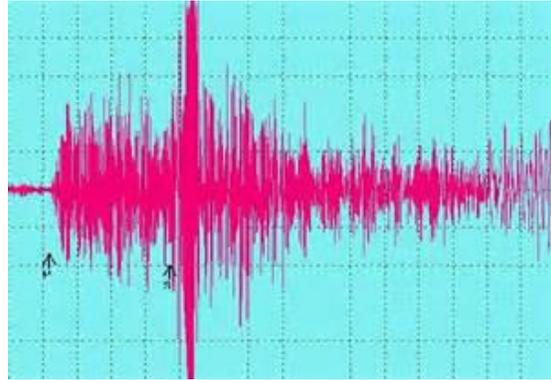
In a recent decision entitled *JMR Construction v. EARM, Inc.*, a California court approved the use of the Eichleay Formula for computing delay damages. Contractors can now utilize that methodology if they meet the normal criteria for use of the formula. To learn more, contact the author at 714-540-3636.

[To Learn More Contact Us](#)

An Earthquake in California Construction Law- New California Court decision finds that Contractors can be held liable for Strict-Products-Liability Damages.

For several decades, California contractors have been insulated from claims by consumers under strict product liability theories of recovery. Under a recent California case entitled **Jovana Hernandezcueva v. E. F. Brady**, the California Second Appellate District extended strict product liability to a drywall subcontractor -- a new recipe for disaster to the construction industry. (continued)

[To Learn More Contact Us](#)



For now, any such claims are likely to be covered by commercial general liability insurance however insurers are likely to add future exclusions for such claims and general contractors, subcontractors and suppliers should ensure that their insurance brokers do not accept any such exclusions going forward.

Continued next page



Statutory Prompt Payment Provisions Mean It's Time for "Fair Play" on Construction Projects in California.

Prompt Payment regulations have made their way into nearly all public works and private works construction projects. If payment is not promptly tendered the paying entity can be penalized by requiring payment of 2% per month on the late payment.



Case, Ibrahim
& Clauss, LLP
Attorneys at Law

In a recent California court decision entitled **FTR International v. Rio School District**, the court concluded that the owner improperly withheld from the contractor contract retention sums based upon a dispute over extra work charges the contractor sought against the owner.

Normally if a "good faith" dispute exists over payments, prompt payment penalties are not enforced. However the court concluded the dispute over extra work claims cannot act as a good faith withholding of retention payments and the owner was held liable for prompt payment penalties.

[To Learn More Contact Us](#)

Disclaimer: This newsletter is intended for general information only and is not intended to constitute legal advice. The reader is encouraged to seek the timely advice of legal counsel.

[Website](#)

[About Us](#)

[Attorneys](#)

[Articles](#)

[Contact Us](#)



Confirm that you like this.

Click the "Like" button.

