



Firm Wins Attorneys Fees, Novel Legal Arguments for Client in Construction Case

Press Releases

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A New Jersey appeals court has reversed a lower court and ordered a construction company to pay a building owner's legal fees in addition to damages in a breach-of-contract case involving extensive renovations at a professional office facility in Voorhees, N.J.

Attorneys with Archer P.C. successfully argued the appeal on behalf of client Voorhees Office Center LLC (VOC) after a Superior Court judge vacated an arbitrator's award of the legal fees. The fee award was in addition to nearly \$78,000 the arbitrator awarded VOC for its claims of substandard workmanship and construction delays against Pennsylvania-based Target Building Construction Inc. The Appellate Division panel ruled that the lower court erred in disturbing the arbitrator's award of legal fees. Both sides had earlier agreed to use arbitration rather than the courts to resolve the claims and counterclaims. The matter reached Superior Court in Camden County when Target challenged the arbitrator's legal fee award.

The arbitrator, The Honorable Richard S. Hyland (Ret.) of ADR Options, sanctioned Target for VOC's legal fees under a rule that penalizes a party if it rejects a settlement offer that later turns out to be considerably more favorable than the judgment. The rule is designed to encourage early settlement of a dispute to avoid protracted litigation.

In this case, VOC had offered to pay Target \$20,000 to resolve all claims. When Target rejected the offer, Archer proceeded to prevail on a counterclaim greater than the amount owed to the contractor. This triggered the right to attorneys fees awarded by the arbitrator. Several novel legal issues were successfully argued including the right to fees after an offer of judgment when both a claim and counterclaim are awarded, the method for determining fees in an arbitration and the scope of review of an arbitrator's decision.

The full text of the Appellate Division opinion is [here](#).

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