Employment and Construction Law Update

THURSDAY, JANUARY 27, 2011

Morris County Judge Hits Principal Officers of Construction Company with \$7.1 M damage award

The New Jersey Law Journal reported this week that a Morris County Judge awarded \$7.1 million on January 14, 2011 to buyers of a residential home found structurally unsound because it was built on substandard soil. The award was the result of a trebling of damages under the New Jersey Consumer Fraud Act ("CFA"), and imposition of \$740,906 in legal fees. Of particular interest is the fact that the Trial Judge permitted the corporate veil to be lifted and imposed personal liability under the CFA on the developer's individual owners/principals. In my prior blogs and articles I've written about the developing law in New Jersey which has, in essence, eviscerated the corporate veil in this context where a litigant can show participation and knowledge on the part of principals in activity that is construed as a statutory violation. The New Jersey Supreme Court is set to decide this issue in the coming months, but this new case, Akhtar v. JDN Properties, serves as another reminder that builders must take care to ensure strict compliance with the statutes and regulations application in residential construction.

This blog is maintained by Kevin J. O'Connor, Esq. The views expressed herein are those of the author and not necessarily those of the law firm Peckar & Abramson, PC.

Posted by Kevin J. O'Connor at 6:52 AM



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Kevin's practice is focused on complex partnership and corporate litigation, employment

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