

STATEMENT FROM STUART S. ZISHOLTZ

Many times a client comes to us for advice on whether to cease operating on a project or finish the work and file a Mechanic's Lien after the work is completed.

Most of the time, I recommend that he complete his task and finish his work. If the amount remaining on the contract is minimal, it is advantageous to complete the project. The costs associated with having the Owner or General Contractor engage a new contractor to complete the work would most likely exceed the amount claimed by him.

Essentially, if there is \$10,000 of work remaining on the project out of a \$500,000 contract, it makes economic sense to finish the work and address the balance due at a later date. If he walks off the job, the Owner or General Contractor will claim it cost them \$50,000 to complete the \$10,000 worth of work and will seek \$40,000 from him.

If, however, you decide to leave a project, it is necessary to understand what notices, if any, must be provided to the General Contractor or Owner.

The AIA contract requires a 7-Day Notice before leaving the project. The Prompt Payment Act requires a notice be served within 10 business days prior to any suspension. The last thing you need is for the Owner or General Contractor to claim you breached the contract and are liable for damages they sustained in completing your work.

Never let your lien time run out.

For a free copy of a pamphlet pertaining to mechanic's liens and payment bond claims, kindly contact me or the Association.