

Office of Superintendent of Schools
Board Meeting of June 21, 2000

June 12, 2000

Office of School Board Attorney
Johnny Brown, Board Attorney

SUBJECT: The School Board of Miami-Dade County, Florida v. Roma Construction, Inc., et al.
(Marjory Stoneman Douglas Elementary), Case No. 96-4334 CA 23
Settlement Agreement

In March, 1996, the School Board filed suit against Roma Construction, Inc., the contractor, the Project Architect and the Surety Company, for breach of contract, breach of warranty and statutory violations, for damages due to construction defects and the failure of the contractor to complete construction of Marjory Stoneman Douglas Elementary School. During the pendency of this litigation, the contractor declared bankruptcy, which resulted in the School Board having to proceed against the defendants' insurance carriers CNA a/k/a Firemen's Insurance Company of Newark and Wausau Insurance a/k/a Liberty Mutual Insurance Company. In keeping with the requirements of the Court, outside counsel handling the case on behalf of the Board entered into formal mediation with the defendants, which has resulted in the settlement offer being recommended to the Board. The defendants have offered to pay the School Board \$612,500.00 in settlement of the litigation. Of the \$612,500.00, CNA, the performance bond carrier, will pay \$512,500.00, and Wausau Insurance, the commercial liability carrier, will pay \$100,000.00.

The settlement figure is recommended as advantageous to the School Board, considering the evaluation of evidence available, the risks of trial and the continuing costs of attorneys for the School Board. The administrative staff and School Board Attorney are in agreement with the recommendation.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, approve and authorize the settlement by accepting payment of \$612,500.00, to be paid to the School Board by CNA and Wausau Insurance, in the case of The School Board of Miami-Dade County, Florida v. Roma Construction, Inc., et al., Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, Case No. 96-4335 CA 23,

JB:pr

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