

The Contractors Critic

Reporting on Safety, Productivity and Honesty in the Construction Industry

BAY HARBOUR ELECTRIC, INC. (AN ABC MEMBER)

Unpaid bills, shoddy work & legal disputes

Is Bay Harbour in financial trouble?

Signs are growing that Bay Harbour Electric is about to fold. Consider the facts:

- The company can't pay its bills
- Its vehicles are being repossessed
- It appears to have lost its bonding capability
- It seems that the company won't even defend itself in a lawsuit

Weber Electric Supply, Inc. found itself in the unpleasant position a few months back of having to sue Bay Harbour Electric for the unpaid balance due of \$91,094.

The main issue at hand in *Weber Electric Supply, Inc. v. Bay Harbour Electric, Inc.*; filed in the Erie County (Pa.) Court of Common Pleas, was Count II, "unjust enrichment"

In the case instant, as lawyers like to say, Weber Electric Supply alleges it provided Bay Harbour "electrical supplies, goods and merchandise at the times, of the kinds and descriptions, in the quantities and for the prices" as detailed in paper

introduced to the court.

For these goods Bay Harbour did not pay, plaintiff's attorney, Christine Hall McClure, charged in a civil action dated Aug. 27, 2004.

Bay Harbour's lawyer, William J. Kelly, Jr., responded by repudiating the validity of the complaint. Weber had failed to attach the invoices, Kelly claimed.

Weber "referenced the invoices as

being attached, which in fact they are not," Kelly replied.

"Attached as Exhibit 'A' to Weber's Complaint, there may be as many as 250 invoices at issues, none of which are attached and all of which are relevant to the Plaintiffs claim. If Defendant is to critically reconcile the amounts claimed by Plaintiff's, it must have copies (of) all

Financial trouble cont'd on pg 2

Dude, where's my truck?

Dunlap Towing of Erie, Pa. recently towed as many as six Dodge Dakota pickups owned by Bay Harbour. LASER understands that Butler Auto Auction in Cranberry Township, Pa. may auction off the vehicles.

So Bay Harbour is

getting its vehicles towed in. It hasn't contested charges of poor performance in a lawsuit. They are being sued for unpaid bills.

Bay Harbour employees might want to ask for payment in cash next payday!



Inside this Issue

<i>Financial trouble cont'd.</i> . . . . .	.2-3	<i>Legal problems.</i> . . . . .	.8-10
<i>Poor performance.</i> . . . . .	.2-4	<i>ABC.</i> . . . . .	.10
<i>Ohio.</i> . . . . .	.4-5	<i>OSHA.</i> . . . . .	.11
<i>Former clients.</i> . . . . .	.6-7	<i>Corporate information.</i> . . . . .	.12
<i>Countercharge.</i> . . . . .	.6	<i>Source notes.</i> . . . . .	.12
<i>12k.</i> . . . . .	.7	<i>LASER information.</i> . . . . .	.12

Financial trouble

Cont'd from pg 1

the invoices at issue.” (Case #13051-2004)

And this wasn't the only recent time a supplier has had to yank Bay Harbour's court chain. In 2003, Magnum Cable Corporation sued Bay Harbour in Cuyahoga County (Ohio) Court of Common Pleas, trying to recover \$13,979.74, alleging unjust enrichment when payment wasn't received for “various electric and electronic wire and cable products.” (Case #505294)

Moreover, Bay Harbour appears to have fallen behind in its payments for critical operational equipment.

A LASER investigator has confirmed first hand with the parties directly involved that Bay Harbour

recently had at least six, late model Dodge Dakota pickups repossessed, presumably for nonpayment.

In November 2004, the investigator learned and confirmed with Dunlap Towing of Erie, Pa. and Butler Auto Auction in Cranberry Township, Pa., that the vehicles were seized and subsequently impounded for the intended purpose of auction resale.

Moreover, four independent, firsthand industry sources have supported strong suspicions that Bay Harbor has lost its bonding eligibility, which would go a long toward explaining why Bay Harbour has disappeared from bidder lists for public projects in recent times.

Finally, as to its legal help, things

look bleak for Bay Harbour.

In a year-old lawsuit in which it is a named third party — *C.T. Taylor Co., Inc. v. Board of Education, Highland Local School District v. Kelly Brothers Roofing, et al.*, filed in the Medina County (Ohio) Court of Common Pleas— it appears that Bay Harbour has not, will not, or, possibly, can no longer afford to pay its subcontractors, nor its lawyer.

A memorandum in support of certain claims presented to Judge James Kimbler, stated, “Bay Harbour's work primarily involved installation of electrical and HVAC work necessary to operate the [Highland High School's] facilities. A portion of that work was subcon

Financial trouble cont'd on pg 3

Poor work performance alleged against Bay Harbour

The June 2004 issue of the *Contractor's Critic* contained a lengthy article about Bay Harbour's problems on the Highland High School job in Medina, Ohio. The problems on that job included delays, Bay Harbour's failure to pay its bills, and claims for more money. Now LASER has learned that the whole mess at Highland High School has landed in court. And strangely enough, Bay Harbour is not defending itself against allegations that it failed to pay its subcontractors.

The Highland Local School District's court filing in support of their claim against Bay Harbour reads in part, “Bay Harbour's work primarily involved installation of electrical and HVAC work necessary

to operate the school's facilities. A portion of that work was subcontracted to various subcontractors who have brought claims against the (School) Board resulting from Bay Harbour's failure to pay them for work completed on the Project.”

The court document continued, “the (School) Board filed its Third Party Complaint against Third Party Defendants... Bay Harbour's Answer or other responsive pleading was due on September 27, 2004. To date, no response has been received from Bay Harbour...”

The filing concluded, “the Board requests that this Court grant an Order awarding Default Judgment against... Bay Harbour Electric, Inc. for all counts ... and in an amount to

be determined... including all attorney's fees, liquidated damages, and costs incurred by the Board to prosecute its claims against Bay Harbour and to defend claims of other contractors related to Bay Harbour's alleged poor performance of its work.”

LASER has rarely seen an instance in which a contractor has failed to defend themselves against charges of poor performance. LASER will provide Bay Harbour an opportunity to respond to these serious allegations. However, if Bay Harbour declines to respond, questions will remain. Why hasn't Bay Harbour filed an answer to the complaint filed in this lawsuit? Are *Poor performance cont'd on pg 3*

Poor Performance

Cont'd from pg 2

they guilty? Can't they afford a lawyer?

Troubled Highland High School project

Bay Harbour became involved in the Highland High School construction project in Medina, Ohio. While they were on the job they ran into troubles with contractors and suppliers.

In September 2003, an Atlanta, Ga.-based equipment provider, W.W. Williams, wrote to the school district treasurer and other participants in the project, to complain that Bay Harbour had still not paid for a generator valued at some \$21,000 that had been billed in May 2003 and delivered in June 2003.

With that "deadbeat" allegation already in the wind against Bay Harbour, Nov. 18, 2003 arrived along with a letter to Bay Harbour from another angry contractor at the Highland High School project.

The Ruhlin Company wrote to a Bay Harbour executive tartly announcing that, "This letter shall serve as notification to your firm [Bay Harbour] that any further pay applications can and will not be processed until Bay Harbour provides written notice and documentation that the notice of claim on bond and lien document has been resolved with your labor supplier. . . . In protection of the owner, they will be advised accordingly until such items of request are received and deemed acceptable."

"In cooperation on this issue," the Ruhlin warning letter continued, "you specifically mentioned that there may be some confusion on the part of your

labor subcontractor and you would resolve the issue expeditiously. Please do so and advise accordingly."

That said, only a few days later on Nov. 24, 2003, another angry subcontractor was at the keyboard tapping out an angry memo to The Ruhlin Company complaining about the progress – or lack of same – by Bay Harbour on the installation of canopy lighting.

"We have had the canopy ceiling ready for electrical rough since 11-5-03. I have requested this work a number of times, nothing has been started as of this date due to [Bay Harbour] not having the lights on site.

We are running out of suitable weather to do EFS work without getting into weather protection. . . . Since there was plenty of time for this work to be completed before now [this particular subcontractor] won't be responsible for this added cost."

A week later, on Dec. 1, 2003, a project engineer with The Ruhlin Company forwarded the memo to Bay Harbour. Nine days later, a Bay Harbour Vice President replied generally to The Ruhlin Company about delays and other matters connected to the troubled Highland High School project.

Poor performance cont'd on pg 4

Financial trouble

Cont'd from pg 2

tracted to various subcontractors who have brought claims against the (school) Board resulting from Bay Harbour's failure to pay them for work completed on the Project," the

asked the court for a default judgment for the amount sought. (Case #03CIV0914)

All these brush strokes may seem unrelated, but together they paint a grim picture of Bay



Bay Harbour is not defending itself against allegations that it failed to pay its subcontractors

legal memorandum said.

"On August 23, 2004, the Board filed its Third-Party Complaint against Third-Party Defendants. On August 30, 2004, the Board achieved service on Bay Harbour . . . [an] Answer or other responsive pleading was due on September 27, 2004. To date, no response has been received from Bay Harbour," the memorandum said.

Based on that, the school board

Harbour's financial situation.

So, there we have it: unpaid bills, impounded vehicles and uncontested lawsuits.

Any wise and responsible construction work consumer, public entity or private company, would be well advised to bear these facts in mind when reviewing any Bay Harbour Electric bids or work history claims.

Welcome to Ohio, you are being sued

Bay Harbour Electric has tried to find construction business in northern Ohio for the last few years. Part of their motive may have been to seek work in a state where they had not been disbarred, (as Bay Harbour was in New York State) or maybe Bay Harbour was seeking to operate in a state where they hadn't been in litigation with the state government (Bay Harbour was involved in a \$169,000 lawsuit with the State of Pennsylvania's Department of General Services).

At any rate, in the process of seeking business in Ohio, Bay Harbour has managed to get involved in a legal dispute as well as running into trouble with various organizations and governmental bodies.

In a lawsuit filed in Trumbull County (Ohio) Court of Common Pleas, titled *The Coggins Group, Inc. v. Bay Harbour Electric, Inc.*, the Coggins Group sued Bay Harbour Electric in a dispute over

Poor Performance

Cont'd from pg 3

What the Bay Harbour executive wanted, it appears, was more time, more understanding and more money. Bay Harbour wanted to extend the project 90 working days through the winter and well into the spring.

"In addition, we are seeking compensation for all administrative and field operating costs we have acquired on this project due to delays," the Bay Harbour executive demanded.

\$5,237. According to court records, the case eventually dismissed. (*Case #00CVF0090*)

Listed below are other examples of problems Bay Harbour's troubles in Ohio.

Plan 'failed to demonstrate good faith'

In May 2003, Ohio state's Equal Opportunity Division stated in a letter, that Bay Harbour Electric "has failed to demonstrated (sic) good faith efforts to comply with the State of Ohio's Affirmative Action Program." As a result, the affirmative action certificate, which is essential for Bay Harbour to avoid sanctions and penalties, was made "conditional."

Under the conditional certificate of compliance, the state will scrutinize Bay Harbor's good faith effort to comply with the State Affirmative Action program and Bay Harbor and its subcontractors will be required to file monthly reports on their hiring

His letter was dated Dec. 10, 2003. The blistering reply from The Ruhlin Company was dated Dec. 11, 2003, so you can easily imagine just exactly how exercised the responding executive was.

"I take exception to your letter of December 10, 2003 regarding the time extension change order sent to all contractors on March 4th of this year." The apparently furious Ruhlin Company executive began.

After outlining why calendar mathematics made an extension

practices. The State of Ohio was forced to take these actions, even though Bay Harbour's official hiring policy claims, "We do not discriminate on the basis of union affiliation, race, sex, color, age, national origin, disability..."

Bay Harbour's scheme to hide illicit operation from ISO auditors

Also of concern was a scheme to hide the operations of an illegitimate Ohio office from a team of International Organization for Standardization (ISO) auditors investigating Bay Harbour's management practices.

A former Bay Harbour employee, who now works elsewhere, said he was summarily fired shortly after answering truthfully to questions from an ISO auditor assessing whether Bay Harbour met ISO 9000 standards.

The ex-project coordinator said Bay Harbour higher-ups had specifically ordered employees not to reveal *Ohio cont'd on pg 5*

unreasonable, The Ruhlin Company executive summed up his opinion of Bay Harbour's pitch for more time and more money: "Therefore all of your statements regarding additional labor, trade stacking, chaos and loss of productivity are incorrect."

Records show that Bay Harbour was again writing letters in late December, seeking compensation for "damage delays".

"At this time a total cost of our claim can not be determined," Bay Harbour announced.

Cont'd from pg 4

the existence of an unauthorized office the company maintained in Ohio.

When the auditor — curious about why Pennsylvania-based Bay Harbour supervisors were making service calls to Ohio — the now-fired employee honestly reported that the company had an office in that state.

“I was uncomfortable with being directed to lie,” said the former em-

ployee, who asked not to be named. hand, many of its member institutes are part of the governmental structure of their countries, or are mandated by their government. On the other hand, other members have their roots uniquely in the private sector, having been set up by national partnerships of industry associations.”

The explanation continues, “Therefore, ISO is able to act as a bridging organization in which a consensus can

government notifying the company it was being fined for performing work without a license.

The letter from a Mahoning County Building Inspection Department official alerted Bay Harbour that the county electrical board had decided at a Sept. 19, 2000 meeting to fine Bay Harbour \$500 for “not being licensed to obtain a permit for the work you were performing at [the] subject cell tower site.”

The notice continued saying, “You were not a licensed electrician in Mahoning County and were not authorized to perform electrical work therein.”

In fact, Mahoning County’s Chief Building Official noted in the brief letter that Bay Harbour “did not receive a permit until after the work was well done.”

Attached was a “timeline of events for the cell site...” and a notice ordering it to, “Please submit a check for \$500.00 within 30 days.”

Before that 30-day deadline could arrive, the Mahoning County building official again notified Bay Harbour that it had again been fined “for not being licensed to obtain a permit for the work [it] was performing at the subject cell tower site.”

“This was the second offense. You were not a licensed electrician for Mahoning County and were not authorized to perform electrical work therein,” the same building official announced, tartly.

About six months later, Bay Harbour — never one to bow to the law without first trying to float an alibi — was still haggling with the County of Ohio *cont'd on pg 7*



The Mahoning County electrical board fined Bay Harbour for not obtaining a permit for work they were performing in the Ohio county.

ployee, who asked not to be named.

The employee was immediately hustled out of the auditor’s presence and, a few days later, was fired on the trumped-up reason that he was allegedly “rude” to the auditor.

The significance Bay Harbour’s swift retaliation and what it implies for potential Bay Harbour customers can be best be understood by looking at what, exactly, ISO is.

According to information posted on its web site, “ISO is a network of the national standards institutes of 147 countries, on the basis of one member per country, with a Central Secretariat in Geneva, Switzerland, that coordinates the system.”

“ISO is a non-governmental organization: its members are not, as is the case in the United Nations system, delegations of national governments. Nevertheless, ISO occupies a special position between the public and private sectors. This is because, on the one

be reached on solutions that meet both the requirements of business and the broader needs of society, such as the needs of stakeholder groups like consumers and users.”

ISO 9000 in particular is a, “... (F)amily of standards represents an international consensus on good management practices with the aim of ensuring that the organization can time and time again deliver the product or services that meet the customer’s quality requirements.... These good practices have been distilled into a set of standardized requirements for a quality management system, regardless of what your organization does, its size, or whether it’s in the private, or public sector.

Bay Harbour’s trouble telling truth goes on and on

Bay Harbour’s tawdry troubles with telling the truth, the whole truth and nothing but the truth also surfaced in a Jan. 4, 2001 letter from an Ohio county

Bay Harbour wiring “unworkmanlike,” customer countercharges in lawsuit

Trec, Inc. thought they were going to get premier electrical work when they hired Bay Harbour to do work at their JC Penney, Johnston Housing Authority, Erie Insurance, and Dougherty Tool and Die construction jobs. After all, Bay Harbour champions itself as “the best company”.

Of course, Bay Harbour probably did not tell Trec, Inc. about the almost two dozen times that Bay Harbour has been sued or mired in disputes with their own angry customers, their own wronged employees, and their own unpaid suppliers.

Trec learned one thing about Bay Harbour soon enough, however. One thing that Bay Harbour did on time was submit its bills. For instance, on the JC Penney job, Bay Harbour was billing Trec for work as often as every two days.

However, according to Trec’s court filings, “It is specifically denied that Bay Harbour performed all work in a good and workmanlike manner. On the contrary, some of the work performed by the Plaintiff (Bay Harbour) was not according to specification, and consequently was unworkmanlike and amounts to a breach of the contract be-

tween the Defendant (Trec) and the Plaintiff (Bay Harbour) ... due to various problems with the work performed by the Plaintiff... the Defendant was seeking a credit of approximately \$1479.”

Trec and Bay Harbour had sought to settle their construction billing dispute without bringing it to court, by splitting some of their differences, and in fact Trec made a payment to Bay Harbour as part of this settlement. But Bay Harbour still dragged Trec into court.

The case was ultimately settled by arbitration. (*Case #1027 of 1996*)

Former clients on record with harsh criticisms of Bay Harbour’s poor workmanship, business practices



Bay Harbour touts itself as “committed to being The Best Company” with an impeccable record of customer satisfaction on every project. Of course, Bay Harbour does not tell its potential customers about its litigation history, safety violations and unpaid suppliers.

The *Contractors Critic* has compiled a few examples from jobs where Bay Harbour’s workmanship and business practices were disputed.

Iroquois School District

In a counterclaim filed in the

case, *Bay Harbour Electric v. Iroquois School District*, the school district quickly got down to the nub, “Over the course of the Project, Bay Harbour failed to perform its work in a timely manner and failed to effectively respond to the School District’s notices of its untimely performance.

The counterclaim continued, “Bay Harbour’s untimely performance of its work on the Project, and failure to achieve its contractually-mandated completion dates, constitutes a breach of its Contract duties to the School District, the remedy for which is assessment of liquidated damages.”

It finished, “Despite demand, Bay

Harbour has refused to honor its obligation to the School District for payment of liquidated damages.” (*Case #GD 11722-03*)

Walnut Creek Middle School, Millcreek Township, Pa.

At the Walnut Creek Middle School project, Job Conference Report #50 named Bay Harbour Electric’s work progress as a major concern, “...crews are being reduced and... the completion date cannot be met and is delaying the ceilings already. Failure to add manpower will be reason for delaying payments
Criticisms cont’d, pg 7

Criticisms

Cont'd from pg 6

– this applies to Bay Harbour ... in particular who have work to do which is holding up ... doing [the] ceilings.” Again in Job Conference Report #53, “BH has been unable to complete electrical work in [the demountable partitions] because they are just now being installed ...” and a section on Dukane Plates noted, “Still not here – need them. Bay Harbour – note!” (Emphasis in original)

Manpower problems apparently continued. In the section of Job Conference Report #55’s discussion of Bay Harbour Electric, it said, “Architect called Jeff Anthony [President of Bay Harbour Electric] after the meeting and asked for more men.”

R.D. Construction Company

In January 1999, R.D. Construction Company filed an administrative claim with the Ohio Department of Administrative Services, alleging non-payment by Bay Harbour Electric for R.D. Construction’s work on the Lake Erie Correctional Institute, Phase II.

Ohio Edison

(Lakeview High School Job)

According to a lawsuit filed by Ohio Edison, “After various delays ... [Bay Harbour Electric] employees incorrectly wired the new electric service from the new electrical panel to a sub panel, causing improper rotation and electrical problems and as a direct and proximate result ... Ohio Edison permanently rebuilt the electrical configuration and... was subject to substantial delays completing the project due to [Bay Harbour Electric’s] negligence.”

Ohio Edison estimated their losses due to Bay Harbour Electric’s negligence to total \$4,709.49, which Bay Harbour Electric refused to pay. As a result Ohio Edison was compelled to sue for compensation. (*Case #97-CV970*)

DuBois Area School District

The DuBois Area School District found many problems with Bay Harbour Electric’s work, according to published accounts. The District Clerk of Works wrote in a letter about Bay Harbour Electric’s work, “From the period of ‘substantial completion’ at the beginning of school, through the contractor’s actual ‘finish’, school occupants have been plagued with light bulbs or ballast burnt-out, receptacles not operating, and work omitted or incomplete; five months have lapsed.” He continued, Bay Harbour promised that they would “correct these items room-by-room. Now it seems that in their haste to complete, these corrections have been left for the punch list.”

County of Chautauqua, NY

The Chautauqua County rejected a Bay Harbour bid. Bay Harbour turned around and sued the county. The court found against Bay Harbour Electric, finding that the county had properly refused Bay Harbour Electric’s bid, because Bay Harbour Electric had responded with “hostility and lack of cooperation” to the County’s requests for information.

Edinboro University of Pennsylvania

Edinboro University rejected Bay

Harbour’s low bid for electrical work, after discovering that Bay Harbour’s filings regarding minority and women hiring was “unresponsive.”

Susan Cenfetelli, Millcreek Mall, Erie, Pa.

Cenfetelli stated that, (Bay Harbour Electric) “...were neither a professional company or knew what they were doing. ...various work such as circuit breakers and light fixtures that were installed or repaired do not work. I feel that this is do to the incompetence of those working for Bay Harbour. Personally, Bay Harbour, Jeff Anthony or any contracting firm associated with the above will never perform services in my store...” She continued, “I will never recommend them to anyone who needs electrical work performed.”

Ohio

Cont'd from pg 5

Mahoning. But official patience seems to have been wearing thin, as recorded in a tensely worded June 28, 2001 letter to a Bay Harbour executive.

“The [Electrical] Board reviewed your position thoroughly and failed to find any evidence which would change their position. The licensing laws are very positive on the fact but since you had made an effort to settle the matter, the Board agreed to accept a \$2,500.00 fine with the condition that it must be paid by July 31, 2001. If it is not paid by that date, the fine is to return to the original \$5,000.00 amount,” the warning letter stated.

Bay Harbour's legal problems

The following lawsuits are just a sampling of Bay Harbour's voluminous and varied legal problems.

Magnum Cable Corp. v. Bay Harbour Electric, Inc.; Case #CV-03-505294; Filed 7/10/03; Cuyahoga County (Ohio) Court of Common Pleas

This case was filed in the court of Judge Christine McMonagle with the declared prayer amount of \$13,980. The case was voluntarily dismissed without comment on Aug. 26, 2003.

Chris Watkins, IBEW Local No. 306 v. Bay Harbour Electric, Inc.; Case #6-CA-32166 & 6-CA-32167; Filed 5/2/01; U.S. National Labor Relations Board, Region 6

In a case filed with the National Labor Relations Board in May 2001, Chris Watkins charged that Bay Harbour had been engaging in unfair labor practices. The lawsuit claims Bay Harbour Electric had been interfering with, restraining and coercing employees in the exercise of rights guaranteed in Section 7 of the National Labor Relations Act and that the company had "been discriminating in regard to the hire or tenure or terms or conditions of employment of its employees..."

The Regional Cancer Center v. Bay Harbour Electric, Inc., North Coast Building Company, et al; Case #14332-00; Filed 12/18/00; Erie County (Pa.) Court of Common Pleas

The Regional Cancer Center also had problems with Bay Harbour Electric. Court records show that the Regional Cancer Center filed a pleading for a writ of summons against the defendants Bay Harbour Electric, North Coast Building and others on December 18, 2000.

Bay Harbour Electric, Inc. v. M&K Electrical Company, Inc.; Case #11439-1999; Filed 5/3/99; Erie County (Pa.) Court of Common Pleas

In this court suit, Bay Harbour Electric agreed to buy various pieces of equipment and tools from M&K Electrical Company. Bay Harbour Electric said that they paid \$29,700 down and agreed to pay monthly installments of \$877. However, when Bay Harbour Electric received a shipment of the promised equipment, they claimed that some of the tools were damaged. Bay Harbour Electric went to court in an effort to avoid paying \$10,500 of that equipment contract.

M&K Electrical Company strongly contested Bay Harbour Electric's assertions. Mark J. Leach, a M&K representative, submitted an affidavit to the court, stating that Bay Harbour Electric had thoroughly and carefully inspected all of the goods and accepted them upon delivery, without objection.

Legal problems cont'd on pg 9

Man electrocuted, sues for \$25,000

David M. Allen suffered a severe electrical shock at the Clarion County Prison and his civil suit charged that Bay Harbour Electric was responsible for his injuries. His complaint claimed that Bay Harbour Electric used the wrong type of electrical ground fault receptacle during their construction of the electrical wiring of the prison.

Allen's suit, *David M. Allen v. Bay Harbour Electric, Inc., et al.*, charged Bay Harbour Electric with "failure to follow Local, State and Federal codes in the installation of the electrical outlets; failure to properly supervise their employees ... failure to provide watertight housing for said electrical units; failure to inspect the work..." He also charged Bay Harbour Electric with "failure to use ordinary and reasonable care in the installation [of the electrical system] ... failure to promptly fix the problems ... [and] failure to perform the work according to the ordinary and reasonable standards of the [electrical] profession." Allen sought more than \$25,000 in

Electrocuted cont'd on pg 9

Legal problems

Cont'd from pg 8

Bay Harbour Electric, Inc. v. H. Platt Company; Case #10518 of 1999; Erie County (Pa.) Court of Common Pleas

Bay Harbour Electric sued this fellow contractor in a dispute over work Bay Harbour Electric performed for H. Platt Company at the Elder-Beerman Store. After H. Platt Company paid Bay Harbour Electric \$450,450 for a contract that was originally \$525,000, Bay Harbour Electric complained that they wanted to be paid \$525,000 altogether. According to the lawsuit, Bay Harbour Electric asserted it had performed additional work.

Bay Harbour Electric also claimed that H. Platt owed them another \$6,887 for electrical work performed on a consolidated public works job.

Clifford W. Bennett v. Ellwyn Reynolds, Jr., Bay Harbour Electric; Case #10585 of 1998; Filed 4/22/98; Beaver County (Pa.) Court of Common Pleas

One of the most important people on a construction job is the field supervisor. They are responsible for direct relations with the employees who are performing the fieldwork. One of Bay Harbour Electric's supervisors was a real piece of work, according to a court complaint filed in Butler County, Pennsylvania. The Bay Harbour Electric supervisor was named Ellwyn Reynolds. He was known to be "malicious and of a violent nature." He also "had been criminally charged on a number of occasions with disorderly conduct." Reynolds' supervisors at Bay Harbour Electric knew he was "confrontational, ill tempered and [that he] frequently engaged in fighting."

Nonetheless, Bay Harbour Electric had "failed to discipline or discharge" Reynolds, even though they recognized his conduct as a major infraction of company policy. Bay Harbour Electric also failed to protect other employees from Reynolds's violent conduct, which rendered him incompetent as a supervisor.

With a loose cannon like Reynolds at Bay Harbour Electric, trouble was bound to result. The inevitable confrontation took place at a restaurant, during diner, after a day's work by Bay Harbour Electric at the Seven Fields project in Butler County, Pennsylvania. For no foreseeable reason, Ellwyn Reynolds abruptly began slugging another Bay Harbour Electric employee, Clifford Bennett during their evening meal. The restaurant furniture went flying as Reynolds attacked Bennett.

According to his court suit, Bennett suffered severe and serious personal injuries and damages. His civil complaint charged that Bay Harbour Electric knew about Reynolds's violent nature, but kept him on as a supervisor anyway and did not take steps to protect other Bay Harbour Electric employees from Reynolds' outbursts.

Bennett sought \$25,000 in damages from Bay Harbour Electric after his beating at the hands of Reynolds. Bay Harbour Electric eventually paid a settlement to Bennett.

Legal problems cont'd on pg 10

Electrocuted

Cont'd from pg 8

damages from Bay Harbour Electric and the other parties.

Bay Harbour Electric, for their part, claimed that the other parties to the case, namely the construction project designers, were at fault for failing to designate the correct type of electrical receptacle for Bay Harbour Electric to install. (Case #1469CA)

Insufficient light leads to injury

Louis Kosan was a welder who worked on the Longfellow School renovation. His job was to cut pipe in the poorly lit basement of the building. His court complaint, *Louis Kosan and Joy Kosan v. Bay Harbour Electric, Inc., et al*, filed in the Erie County Court of Common Pleas on July 24, 1995, stated that Bay Harbour Electric, Inc. was responsible for the temporary lighting on this construction job. While trying to work in the poor lighting, he was severely injured. His court suit charges that Bay Harbour "...was responsible for

Injuries cont'd on pg 10

Legal problems

Cont'd from pg 10

Bay Harbour Electric, Inc. v. Union Station Development Corporation; Case #12920-1997; Filed 5/26/97; Erie County (Pa.) Court of Common Pleas

Bay Harbour Electric sued this construction customer for \$105,000. Union Station Development originally hired Bay Harbour Electric to perform electrical work, but when Bay Harbour Electric sent the bill for the work conducted, Union Station Development balked on the payment. Bay Harbour Electric agreed to reduce its invoices, and Union Station Development did make payments. Ultimately, Bay Harbour Electric claimed they wanted more money. According to the court records, Bay Harbour Electric sued Union Station Development, claiming they were owed \$105,000 on a note.

Bay Harbour Electric had its share of problems on the Union Station Development job, including seven serious violations of OSHA standards, and a \$800 proposed fine for an electrical violation and for exposing its workers to asbestos, for failing to notify the workers of the dangers of asbestos, for failing to provide protective equipment such as respirators, and for failing to monitor the levels of airborne asbestos.

Bay Harbour Electric, Inc. v. Aerotech Mechanical Contractors, Inc.; Case #12048-1996; Erie County (Pa.) Court of Common Pleas

In this case, Aerotech Mechanical Contractors hired Bay Harbour Electric to install wiring for a heating, ventilation and air condition unit at the Lowe's Store in Keystone Plaza in Erie, PA. Aerotech paid Bay Harbour Electric \$9,475 for the work they performed. After being paid, Bay Harbour Electric claimed they were owed another \$2,475 plus interest. Ultimately, Bay Harbour Electric sued Aerotech Mechanical Contractors for that \$2,475, according to the lawsuit.

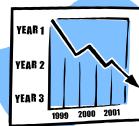
Alfred C. Hodas v. Jeffrey M. Anthony, Carolyn Dolak; Erie County (Pa.) Court of Common Pleas

In the tough world of construction contracting, integrity is all-important. When something goes wrong on a project, and something goes wrong on every

Legal problems cont'd on pg 11

Is Bay Harbour sinking from sight?

According to the Associated Builders and Contractors website, as of Feb. 16, 2005 Bay Harbour's reported sales volume is under \$500,000. This is a drastic drop when compared with their reported sales volume of \$10 to 20 million in June 2003.



Injuries

Cont'd from pg 8

temporary lighting at the Longfellow School Project, and provided insufficient temporary lighting in the area in which the plaintiff was working, thereby creating a dangerous condition which resulted in the accident..."

According to the suit, Kosan sued Bay Harbour Electric and others for more than \$10,000 for his hospital bills and lost earnings. This case was ultimately settled. (Case #2271-A-88)

Car accident leaves man severely injured

In this lawsuit, *Lyle R. Lee v. Alan D. Hartley and Bay Harbour Electric, Inc.*, filed in the Erie County Court of Common Pleas in 1988, Lyle Lee sued Bay Harbour Electric when he was severely injured in an accident involving Alan Hartley, who was driving a Bay Harbour Electric company truck, as stated in court records. He sought over \$10,000 for his medical bills, damages, as well as pain and suffering. (Case #104-26-1988)

Legal problems

Cont'd from pg 10

project, will the contractor act with integrity, and make it right? Or will they try to weasel out of their duties, by citing an obscure footnote in the contract?

A construction customer has to look hard for clues relating to their contractor's integrity, in order to figure out how the contractor will react when a job turns tough. One way to evaluate a contractor's integrity is simple. Ask this question - do they pay their bills on time? This is a fundamental test of the contractor's financial integrity. If you believe this is worth knowing, you may want to ask Alfred C. Hodas about his experience as a contractor for Jeff Anthony and Carolyn Dolak. Anthony is the president of Bay Harbour Electric and Dolak, his wife, is the Chairman of the company.

Alfred Hodas signed a \$16,742 contract with Dolak and Anthony to refinish, decorate, paint and wallpaper their home on Wolf Road in Erie, Pennsylvania. Dolak and Anthony only paid Hodas \$7,500, although he sent them invoices and a letter of explanation.

Ultimately, he had to sue Dolak and Anthony for Fraud, Breach of Contract, Unjust Enrichment, and Misrepresentation. He sought a judgement for \$7,997 against Anthony and Dolak, according to the original lawsuit.

Bay Harbour sues for another 12k

Barnhart Builders, Inc. an Erie, Pa. construction company, subcontracted part of their electrical work to Bay Harbour. As a year passed, Barnhart Builders paid Bay Harbour over \$19,000 for their time and trouble.

Apparently it wasn't enough for Bay Harbour. They forced Barnhart Builders into court, seeking another \$12,901. (Case #11135-2004)

OSHA cites Bay Harbour for safety violations

Inspection #	Violations	Fine	Date
303708069	1 other		01/16/02
122174683	1 serious	\$ 675	09/01/00
302505300	2 other		03/16/99
018183301	2 serious	\$1,925	11/04/98
121932685	1 serious	\$ 525	02/13/96
113335137	3 serious	\$ 800	11/09/94
113338925	1 other		05/12/92
113338644	2 other		04/30/92
002130425	2 serious	\$ 300	11/28/90
002130078	3 serious, 1 repeat, 2 other	\$1,020	09/06/90
106919475	1 serious	\$ 300	03/21/89
017660788	3 serious, 3 other	\$1,590	06/01/88
017660838	1 serious, 1 other	\$ 810	04/26/88
100662709	2 other		02/05/87

Total Violations: 32 Total Serious Violations: 17 Total Initial Fines: \$7,945

Over 50% of the violations are considered serious

The violations listed reflect initial citations and fines. They may have been reduced or bargained down at later dates.

The listing is only a glimpse of Bay Harbour's OSHA history.

Source Notes

LITIGATION:

Cases filed in the Erie County Court of Common Pleas, PA unless otherwise noted.
Weber Electric Supply, Inc. v. Bay Harbour Electric, Inc.; Case #1305-2004; Filed 8/27/04; Erie County (Pa.) Court of Common Pleas
Bay Harbour Electric, Inc. v. Barnhart Builders, Inc.; Case #11135-2004; Filed 3/29/04; Erie County (Pa.) Court of Common Pleas
Magnum Cable Corporation v. Bay Harbour Electric, Inc.; Case #CV0350294; 7/10/03; Cuyahoga County (Ohio) Court of Common Pleas
Bay Harbour Electric v. Iroquois School District, North Coast Building Co., et al.; Case #GD 11722-03; Filed 6/19/03.
Bay Harbour Electric, Inc. v. Commonwealth of Pennsylvania, Dept. of General Services v. Weber, Murphy, Fox; Docket #3597; Filed 3/14/03
C.T. Taylor Co., Inc. v. Board of Education, Highland Local School District v. Kelly Brothers Roofing, Bay Harbour Electric, et al.; Case #03CIV0914; Medina County (Ohio) Court of Common Pleas
Chris Watkins, International Brotherhood of Electrical Workers Local No. 306 v. Bay Harbour Electric, Inc.; Case # 6-CA-32166 & #6-CA32167; Filed 5/2/01; U.S. National Labor Relations Board, Region 6
The Regional Cancer Center v. Bay Harbour Electric, Inc., Others; Case #14332-00; Filed 12/18/00
Coggins Group, Inc. v. Bay Harbour Electric, Inc.; Case #00CVF00090; Filed 2/4/00; Trumbull County (Ohio) Municipal Court, Girard
David M. Allen v. Bay Harbour Electric, Others; Case# 1469 of 1997 C.A.; 12/1/99; Clarion County Court of Common Pleas, PA
Bay Harbour Electric, Inc. v. M&K Electrical Company, Inc.; Case #11439-1999; 5/3/99
Bay Harbour Electric, Inc. v. H. Platt Company; Case #10518-1999; Erie County Court of Common Pleas, PA
Clifford W. Bennett v. Ellwyn Reynolds, Jr., Bay Harbour Electric, Inc.; Case #10585 of 1998; 4/22/98; Beaver County Court of Common Pleas, PA
Ben Bishop v. Bay Harbour Electric, Inc., Great American Insurance Companies; Case #866 of 1997; Filed 10/17/97; Jefferson County (Pa.) Court of Common Pleas
Ohio Edison Co. v. Bay Harbour Electric, Inc.; Case #97-CV-970; Filed 3/24/97; Trumbull County (Ohio) Court of Common Pleas
Bay Harbour Electric, Inc. v. Union Station Development Corporation; Case #6224-1997; Filed 5/26/92; Case #12920-1997
Bay Harbour Electric, Inc. v. Trec, Inc.; Case #1027 of 1996; Filed 1/31/96; Westmoreland County (Pa.) Court of Common Pleas
Bay Harbour Electric, Inc. v. Aerotech Mechanical Contractors, Inc.; Case #12048-1996; Erie County Court of Common Pleas, PA
Louis Kosan & Joy Kosan v. Bay Harbour Electric, Inc., Others; Case #2271-A-88; 7/24/95
Carolyn Dolak v Edinboro University of Pennsylvania; Case #209-1995; Commonwealth Court of Pennsylvania
The First National Bank of PA v. Carolyn Dolak Anthony & Jeffrey Anthony; Case # 1353-J-1989DSB
Lyle R. Lee v. Alan D. Hartley & Bay Harbour Electric, Inc.; Case #104-26-1988; Filed 3/15/88
Alfred C. Hodas v. Jeffrey M. Anthony and Carolyn Dolak; Erie County (Pa.) Court of Common Pleas
Bay Harbour Electric, Inc. V County of Chautauqua, New York; Motion #427; New York State Court of Appeals

OSHA:

OSHA Information obtained through OSHA website: <http://www.osha.gov>

CORRESPONDENCE:

Letter to Fanning/Howey Associates, Inc. from John Chisolm, Bay Harbour Electric; Re: Highland Local School District, Package #28- Electrical; 12/24/03
Letter to Bay Harbour Electric from Michael C. Jirele, The Ruhlin Company; Re: Highland Local School District, New High School, Claim Against Subcontractor Payment/Lien; 12/18/03
Letter to Jason Dinger, Bay Harbour Electric from Michael Deiwert, The Ruhlin Company; Re: Highland Local School District, New Highland High School, Ruhlin Project 6374; 12/11/03
Letter to Michael Deiwert, The Ruhlin Company from Bay Harbour Electric; Re: Highland High School, Change Order Number: 028-003; 12/10/03
Memo to Bay Harbour Electric from Brady Oaks, The Ruhlin Company; Re: Highland Local Schools, New High School, Canopy and Interior soffits (Area A) Lighting; 12/1/03

Memo to Bill Skiles, The Ruhlin Company from Fortney & Weygandt; Subject: Canopy EFS Finish/Interior drywall soffits; 11/24/03
Interview with former Bay Harbour project-coordinator; Interviewed by a LASER investigator; 10/4/03
Letter to Mary M. Markle, Treas., Highland Local School District from Jan M. Parker, W.W. Williams; Project: Highland High School, Bay Harbour Electric PO # 3803L-0002; 9/2/03
Letter to Bay Harbour Electric, Inc. from the Ohio Dept. of Administrative Services, Equal Opportunity Division; Re: Conditional Certificate of Compliance; 5/12/03
Letter to Bay Harbour Electric from Mahoning County Building Inspection; Re: Mahoning Co. Electrical Board Meeting of 6/28/01; 6/28/01
Letter to Bay Harbour Electric from Mahoning County Building Inspection; Re: Electrical Service at Cell Site at Canfield Fairgrounds, Canfield, Ohio; 1/31/01
Letter to Bay Harbour Electric from Mahoning County Building Inspection; Re: Electrical Service at Cell Site on Lake Park Rd, Boardman, Ohio; 1/4/01
Lake Erie Prison payment complaint; Letter from Ohio Department of Administrative Services, Howard Geisler, Architect, to Bay Harbour Electric, Inc.; Contract 501-1996-072-02-04
Letter from Susan Cenfetelli; 4/15/87

WALNUT CREEK MIDDLE SCHOOL INFORMATION: Standard Form of Agreement Between Millcreek Township School District and Bay Harbour;

6/5/92
Job Conference & Reports prepared by Hallgren, Restifo & Loop Architects; Report #18, 9/22/92; Report #20, 10/6/92; Report # 39, 2/16/93; Report #43, 3/16/93; Report #50, 5/4/93; Report #53, 5/25/93; Report #55, 6/15/93; Report #60, 7/20/03; Report # 64, 8/17/93; Report #65, 8/24/93; Report #66, 8/31/93

ARTICLES:

"Who ISO Is"; International Organization for Standardization website; 10/24/03; <http://www.iso.ch>
"ISO 9000 For Busy Managers"; International Organization for Standardization website; 10/24/03; <http://www.iso.ch>
"School in use, but problems remain"; *The Courier-Express*; 1/15/96

CORPORATE INFORMATION:

Bay Harbour Company Information Report; Dun & Bradstreet; 12/17/04; <http://www.dnb.com>
Bay Harbour History; Bay Harbour website; 12/17/04; <http://bheinc.com/history.asp>
ABC Member Listing; Associated Builders and Contractors website; 6/30/03 and 2/16/05; <http://www.abc.org>

Corporate Information

Bay Harbour Electric, Inc.

1606 Harper Dr.
Erie, PA 16505
(814) 833-3429

Carolyn Dolak, Chairman
Jeff Anthony, President



LASER, INC.

LEGAL AND SAFETY EMPLOYER RESEARCH

654 Kentucky St., Gridley, California 95948 Ph. 530-846-6352

Information contained in *The Contractor's Critic* does not reflect a complete history of the business practices of Bay Harbour Electric, Inc. and/or its related companies. LASER is publishing information that contractors do not and will not publish about themselves. LASER has relied on the public record to present this information to the public in an effort to promote safety, productivity, honesty, and environmental compliance in the construction industry.

Bay Harbour Electric, Inc. has been given the opportunity to review and comment on this information. Bay Harbour Electric, Inc. has not made any suggestions for changes to this information.

LASER, Inc. will continue to seek information from contractors and the public. For more information, please contact James Wilson at jwilson@laserinc.com. Visit LASER's website at www.laserinc.com.