

Zurich Am. Ins. Co. v 56th & Park (NY) Owner, LLC
2025 NY Slip Op 33703(U)
September 25, 2025
Supreme Court, New York County
Docket Number: Index No. 160495/2022
Judge: Melissa A. Crane
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SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

PRESENT: HON. MELISSA A. CRANE PART 60M

Justice

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INDEX NO. 160495/2022

ZURICH AMERICAN INSURANCE COMPANY A/S/O 432
PARK CONDOMINIUM,

MOTION DATE 05/12/2025

Plaintiff,

MOTION SEQ. NO. 003

- v -

56TH AND PARK (NY) OWNER, LLC, CGI NORTHEAST
INC., MUESER RUTLEDGE CONSULTING ENGINEERS
PLLC, MCGRAW HUDSON CONSTRUCTION
CORPORATION,

DECISION + ORDER ON
MOTION

Defendant.

-----X

56TH AND PARK (NY) OWNER, LLC

Third-Party
Index No. 595588/2023

Plaintiff,

-against-

Defendant.

-----X

The following e-filed documents, listed by NYSCEF document number (Motion 003) 110, 111, 112, 113,
114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134,
135, 136, 154, 155, 157, 158, 159, 160, 161, 162, 163

were read on this motion to/for ATTORNEY - FEES

In Motion Sequence No. 03, defendant/third-party plaintiff 56th and Park (NY) Owner,
LLC ("Sponsor") moves to recover its reasonable attorneys' fees and costs. The court previously
granted sponsor's motion for summary judgement and declared that sponsor is entitled to
contractual indemnification from CGI Northeast Inc. ("CGI"). However, the court scheduled an
inquest to determine sponsor's damages. CGI opposes sponsor's motions for attorneys' fees.
Sponsor's motion [MS #3] is granted to the extent set forth below.

DISCUSSION

Sponsor is entitled to reasonable attorneys' fees under the Limited Construction Agreement ("LCA") (see EDOC 111, section 14 ["Indemnity"]). Under section 14 (a), CGI is obligated to indemnify Sponsor against "all losses, claims, costs, damages, and expenses." Sponsor seeks a total award of \$859,949.15. This total sum includes sponsor's attorneys' fees [\$760,070.50], \$9,878.65 in disbursements, and one settlement payment it made to Zurich [\$90,000] (see EDOC 112 [Hakemian aff.]; EDOC 114 [Wallace aff.]). The court rejects CGI's contention that Sponsor's motion for attorneys' fees is premature or should be "stayed" because CGI filed a notice of appeal for the underlying summary judgment decision. The unperfected notice of appeal is not a basis to delay this application. Further, the court largely rejects CGI's arguments that Sponsor's purported fees are unreasonable and lacking adequate support.

In evaluating reasonableness of attorneys' fees, a court will examine a number of factors, "including the time and labor required, the difficulty of the issues involved, and the skill and effectiveness of counsel . . . reduc[ing] the amount requested to eliminate work that was duplicative or was unnecessarily performed by an attorney, rather than a secretary or paralegal" (*JK Two LLC v Garber*, 171 AD3d 496, 496 [1st Dept 2019]; *S.T.A. Parking Corp. v Lancer Ins. Co.*, 128 AD3d 479, 480 [1st Dept 2015]). A court may also reduce fees that are excessive (*see Solow Management Corp. v Tanger*, 43 AD3d 691 [1st Dept 2007]).

Here, Sponsor submitted detailed invoices (*see* EDOC. 134), in addition to a chart generated by Troutman's billing department, utilizing Thompson Reuters' financial analytics platform, showing comparable law firm billing rates for the relevant periods (*see* Affirmation of Kevin P. Wallace sworn to on July 14, 2025 [the "Wallace Affirmation"], ¶ 3, *see also* Exhibit 1

[Doc 163] [Billing Rate Chart]). Sponsor's submissions show that sponsor's attorneys' hourly billing rates are not unreasonable given the comparable law firms' rates.

The court also rejects CGI's contention that Sponsor is not entitled to fees accrued in the underlying action. The underlying action was filed in September 2021 (Index No.: 655617/2021, the "Main Action"). As part of that lawsuit, the Board of Managers sought damages related to an arc flash incident that occurred on June 3, 2021 (the "Incident"). In September 2022, Zurich moved to intervene in the Main Action (Main Action, EDOC. 147). The Court severed the claims and Zurich filed its Proposed Intervenor Complaint in a separate action (EDOC. 170).

As a result, the fees that Sponsor seeks pertaining to the Main Action, are for the same claims that are asserted in this action. Therefore, those fees are equally subject to CGI's contractual indemnification obligation which requires indemnification "from and against all losses, claims, costs, damages, and expenses (including, without limitation, attorneys' fees and)... attributable to... [or] caused by the acts, negligent acts, errors, omissions, or willful misconduct" of CGI. (LCA, § 14.). Consequently, it is of no effect that for the purposes of indemnification that the underlying claims were first filed in the main action.

Finally, CGI contends that there were "a number of instances of questionable duplication of effort present within the claimed attorneys' fees" (see EDOC 158 [Defendant's Mem. In Opp.] at p. 10). CGI highlights several instances and projects where Sponsor's attorneys billed for more than one timekeeper (see Brychel Aff, ¶ 46). While collaboration is often necessary to effectuate comprehensive representation, Sponsor's invoices do not demonstrate that all of its entries covering multiple attorneys for the same work constitute necessary collaboration. In addition, it is not always apparent in this record that Troutman's summaries needed to be prepared by lawyers.

Thus, the court finds that a 10% reduction is appropriate for certain instances of duplicative entries and attorney-created summaries. Furthermore, while defendant is entitled to its recover its disbursements in this action, the County Clerk will calculate those amounts. Thus, sponsor is entitled to recover \$774,063.45. Sponsor may submit a bill of costs to the Clerk for its disbursements. This amount was reached as follows:

- 10% reduction to \$760,070.50 [attorneys' fees requested] = \$684,063.45
- Total award amount is \$774,063.45 (\$684,063.45 reduced attorneys' fees + \$90,000 settlement payment).

The court has considered the parties' remaining contentions and finds them unavailing.

Accordingly, it is


ORDERED that defendant's motion is granted in part, as set forth in this order; and it is further

ORDERED that the Clerk is directed to enter judgment in favor of defendant, 56th and Park (NY) Owner, LLC and against defendant, CGI Northeast Inc., for \$774,063.45, together with interest at the statutory rate from January 31, 2023 [the date of Sponsor's answer with crossclaims] until the date of this decision and order, as calculated by the Clerk, together with costs and disbursements as taxed by the Clerk upon submission of an appropriate bill of costs; and it is further

ORDERED that the motion is otherwise denied; and it is further

ORDERED that there shall be no further motion practice in this case without a pre-motion conference.

9/25/2025
DATE


MELISSA A. CRANE, J.S.C.

CHECK ONE:	<input checked="" type="checkbox"/>	CASE DISPOSED	<input type="checkbox"/>	NON-FINAL DISPOSITION
	<input type="checkbox"/>	GRANTED	<input type="checkbox"/> DENIED	<input checked="" type="checkbox"/> GRANTED IN PART
APPLICATION:	<input type="checkbox"/>	SETTLE ORDER		<input type="checkbox"/> OTHER
CHECK IF APPROPRIATE:	<input type="checkbox"/>	INCLUDES TRANSFER/REASSIGN		<input type="checkbox"/> FIDUCIARY APPOINTMENT
				<input type="checkbox"/> REFERENCE