SETTLEMENT CONFERENCE OVERVIEW

PLEASE READ THIS FORM IN ITS ENTIRETY

WHAT IS THE SETTLEMENT CONFERENCE?
By now, both Parties have spoken with an investigator from the State Building Office (“SBO”) and have been unable to informally resolve their dispute. As a next step, the Parties have accepted the invitation of the SBO to attempt to settle their dispute in a more formal setting with the assistance of SBO staff. The settlement conference is not a hearing and no evidence is presented.

HOW DOES THE SETTLEMENT CONFERENCE WORK?
The Parties will meet, either in person, via Zoom, or via telephone to explain their positions and make offers to resolve the dispute. It is important to remember that each party negotiates on behalf of themselves. The SBO does not represent either Party and is simply there to serve as a facilitator/mediator. If an agreement can be reached, it may provide for repairs, completion of work, and/or the payment of monies to the homeowner.

WHAT IS THE BENEFIT OF A SETTLEMENT CONFERENCE?
A settlement conference offers several benefits to the parties. First, it offers the parties, not the SBO, the opportunity to create an acceptable resolution of the dispute. Second, mediation focuses efforts on an agreed end to a dispute, saving each side time and money while channeling resources toward a mutually productive end. Third, the parties are more likely to be satisfied with a solution that they created rather than a resolution imposed by a court or administrative decision.

CAN THE SBO MAKE THE DECISION FOR US?
No. The SBO cannot hold a contested hearing and order a contractor to pay monetary damages. That is a function solely reserved for the Courts.

DO I NEED A LAWYER?
It is not necessary for the Parties to be represented by counsel if they would like to try to settle the issues themselves. However, if a party wishes to have a lawyer present, he or she is free to do so.

WHAT IF VIOLATIONS WERE ISSUED, CAN THESE BE ADDRESSED IN A SETTLEMENT CONFERENCE?
Yes. If the SBO has issued violations to the Contractor, the SBO will consider the efforts made by the Contractor to reach an agreement with the homeowner and can address the violations during the settlement conference. For example, if the Contractor agrees to a monetary payment or a return to the site to correct or complete work, then the SBO may reduce the fine amount, eliminate the fines altogether, and/or dismiss the violations in total.
WHAT HAPPENS IF THE PARTIES REACH AN AGREEMENT?
If the parties successfully reach an agreement, the SBO will draft a “Consented to Final Order”. This Order will be sent to both parties for review and signature and is binding on the parties.

WHAT IF THE CONTRACTOR FAILS TO COMPLY WITH THE ORDER?
When a contractor fails to comply with the Order, the contractor will be notified that he/she is in default and his/her registration will immediately be suspended. The file will also be transmitted to the Attorney General’s Office for criminal prosecution. If the amount of the Order is less than $5,000.00, the charge is a misdemeanor, if it exceeds $5,000.00, the charge is a felony.

IF WE CANNOT REACH A SETTLEMENT AGREEMENT, WHAT HAPPENS NEXT?
The claim portion of the complaint will be closed, and the homeowner will be provided with information on the right to file a civil action. The SBO will also proceed in its prosecution of any violations which have been imposed.

IF A CIVIL ACTION IS FILED, WHAT ARE THE PROS AND CONS?
For the homeowner, the main pro would be the possibility of being awarded treble damages, court costs and reasonable attorney fees. However, for both parties, the cons are similar:

- Need to hire lawyers.
- Out of pocket costs that often will far exceed what could have been the result in a settlement conference.
- Protracted length of time for case to travel through court system (3-4 years on average).
- Requirement to attend depositions and answer other procedural matters.
- Stress.
- The unknown.

ARE SETTLEMENT CONFERENCE SESSIONS CONFIDENTIAL?
The exchange of information in a settlement conference/ mediation is confidential. In fact, the Rhode Island General Laws provide that the files shall be confidential and that the mediator cannot be compelled to disclose any communications made to him or her by any participant in the mediation process. R.I. General Laws § 9-19-44.